EXECUTION VERSION

UNITED STATES
DEPARTMENT OF TRANSPORTATION

TIFIA LOAN AGREEMENT

For Up to $629,472,431

With

CENTRAL PUGET SOUND
REGIONAL TRANSIT AUTHORITY

For the

FEDERAL WAY LINK EXTENSION PROJECT
(TIFIA – 2021-1013A)

Dated as of September 10, 2021

Table of Contents

Page

SECTION 1. Definitions 2

SECTION 2. Interpretation 32

SECTION 3. TIFIA Loan Amount 33

SECTION 4. Disbursement Conditions 33

SECTION 5. Term 34

SECTION 6. Interest Rate 34

SECTION 7. Outstanding TIFIA Loan Balance and Revisions to Exhibit F and the Loan Amortization Schedule 34

SECTION 8. Security and Priority; Flow of Funds 35

SECTION 9. Payment of Principal and Interest 39

SECTION 10. Prepayment 41

SECTION 11. Compliance with Laws 42

SECTION 12. Conditions Precedent 43

SECTION 13. Representations and Warranties of Borrower 49

SECTION 14. Representations and Warranties of TIFIA Lender 56

SECTION 15. Affirmative Covenants 56

SECTION 16. Negative Covenants 67

SECTION 17. Indemnification 70

SECTION 18. Sale of TIFIA Loan 71

SECTION 19. Events of Default and Remedies 72

SECTION 20. Accounting and Audit Procedures; Inspections; Reports and Records 79

SECTION 21. Financial Plan, Statements, and Reports 81

SECTION 22. Project Oversight and Monitoring 84

SECTION 23. No Personal Recourse 86

SECTION 24. No Third Party Rights 86

SECTION 25. Borrower's Authorized Representative 86

SECTION 26. TIFIA Lender's Authorized Representative 86

SECTION 27. Servicer 87

SECTION 28. Fees and Expenses 87

SECTION 29. Amendments and Waivers 88

SECTION 30. Governing Law 88

SECTION 31. Severability 88

SECTION 32. Successors and Assigns 88

SECTION 33. Remedies Not Exclusive 88

SECTION 34. Delay or Omission Not Waiver 89

SECTION 35. Counterparts 89

SECTION 36. Notices; Payment Instructions 89

SECTION 37. Effectiveness 90

SECTION 38. Termination 90

SECTION 39. Integration 90

SCHEDULE I – Project Budget
SCHEDULE II – Construction Schedule
SCHEDULE III – Principal Project Contracts
SCHEDULE 13(f) – List of Litigation Matters
SCHEDULE 13(o) – List of Insurance Policies
SCHEDULE 13(r) – List of Communications and Notices Determined to Be Without Merit

EXHIBIT A – Form of TIFIA Bond
EXHIBIT B – Anticipated TIFIA Loan Disbursement Schedule
EXHIBIT C – Non-Debarment Certification
EXHIBIT D – Requisition Procedures
EXHIBIT E – Compliance with Laws
EXHIBIT F – TIFIA Debt Service
EXHIBIT G – Opinions Required from Counsel to Borrower
EXHIBIT H – Form of Borrower's Officer's Certificate
EXHIBIT I – Form of Substantial Completion Certificate

EXHIBIT J – Certification Regarding the Prohibition on the Use of Appropriated Funds for Lobbying
EXHIBIT K – Reporting Subawards and Executive Compensation

TIFIA LOAN AGREEMENT

THIS TIFIA LOAN AGREEMENT (this "**Agreement**"), dated as of September 10, 2021, is by and between **CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY**, d/b/a Sound Transit, a Washington regional transit authority created under the laws of the State of Washington, with an address of 401 S. Jackson Street, Seattle, Washington 98104 (the "**Borrower**"), and the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau (the "**Executive Director**"), with an address of 1200 New Jersey Avenue, S.E., Washington, D.C. 20590 (the "**TIFIA Lender**").

RECITALS:

WHEREAS, the Congress of the United States of America (the "**Congress**") has found that a well-developed system of transportation infrastructure is critical to the economic well-being, health and welfare of the people of the United States of America and, in furtherance thereof, has enacted the Transportation Infrastructure Finance and Innovation Act of 1998 ("**TIFIA**"), as codified at 23 U.S.C. §§ 601-609 (as amended from time to time, the "**Act**"); and

WHEREAS, Section 603 of the Act authorizes the TIFIA Lender to enter into agreements with one or more obligors to make secured loans; and

WHEREAS, the Borrower and the TIFIA Lender entered into that certain TIFIA Loan Agreement, dated as of December 19, 2019 with respect to the Project (the "**2019 TIFIA Loan Agreement**"); and

WHEREAS, (a) as of the Effective Date, the Borrower has not requested any disbursements under the 2019 TIFIA Loan Agreement and (b) the Borrower has requested to cancel all loan commitments under the 2019 TIFIA Loan Agreement and terminate the 2019 TIFIA Loan Agreement (other than any provisions which by their terms survive the termination thereof); and

WHEREAS, the Borrower has requested that the TIFIA Lender make the TIFIA Loan (as defined herein) in a principal amount not to exceed $629,472,431 (excluding interest that is capitalized in accordance with the terms hereof) to be used to pay a portion of the Eligible Project Costs pursuant to the application for TIFIA credit assistance dated May 27, 2021 (the "**Application**"); and

WHEREAS, on July 31, 2021, the Secretary (as defined herein) approved TIFIA credit assistance for the Project in the form of the TIFIA Loan; and

WHEREAS, the TIFIA Lender is prepared to extend credit upon the terms and conditions of this Agreement and the TIFIA Loan will be secured by the Pledged Taxes; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the TIFIA Bond in accordance with the terms and provisions hereof and thereof; and

WHEREAS, the TIFIA Lender has entered into this Agreement in reliance upon, among other things, the Base Case Projections delivered by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the TIFIA Lender as follows:

SECTION 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement (including in the recitals hereto) shall have the meanings set forth below in this Section 1 (*Definitions*) or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

"**1996 Motor Vehicle Tax**" means the Motor Vehicle Tax approved at an election held on November 5, 1996 and levied by the Borrower at the rate of 0.3%.

"**1999 Prior Bonds**" means the Borrower's Sales Tax and Motor Vehicle Excise Tax Bonds, Series 1999.

"**2009 Parity Bonds**" means the Borrower's Sales Tax Bonds, Series 2009S-2T (Taxable Build America Bonds – Direct Payment).

"**2009 Prior Bonds**" means the Borrower's Sales Tax and Motor Vehicle Excise Tax Bonds, Series 2009P-2T (Taxable Build America Bonds – Direct Payment).

"**2012 Parity Bonds**" means the Borrower's Sales Tax Refunding Bonds, Series 2012S-1.

"**2012 Prior Bonds**" means the Borrower's Sales Tax and Motor Vehicle Excise Tax Bonds, Series 2012P-1.

"**2015 Parity Bonds**" means the Borrower's Sales Tax Improvement and Refunding Bonds, Series 2015S-1, Series 2015S-2A and Series 2015S-2B (Green Bonds).

"**2016 Parity Bonds**" means the Borrower's Sales Tax and Motor Vehicle Excise Tax Bonds issued pursuant to Resolution No. R2016-32 and Resolution No. R2016-34, each adopted on November 29, 2016.

"**2019 TIFIA Loan Agreement**" has the meaning provided in the recitals hereto.

"**2019 TIFIA Loan Termination and Release Agreement**" means that certain Omnibus Termination and Release Agreement, dated as of the Effective Date, by and between the Borrower and the TIFIA Lender with respect to the 2019 TIFIA Loan Agreement.

"**Acceptable Credit Rating**" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge or a repurchase obligation to fund any Reserve Account, "A+", "A1" or the equivalent rating from each NRSRO (defined below) that

provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, "A", "A2" or the equivalent rating from each NRSRO that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

"**Acceptable Letter of Credit**" means an on-first-demand irrevocable standby letter of credit naming the TIFIA Lender as beneficiary (a) issued by a Qualified Financial Institution, (b) the stated maturity date of which is at least one year from the date of issuance (except that for letters of credit issued as a replacement letter of credit with less than one year remaining until the stated expiration date of the original letter of credit, the term shall be for such shorter period), and (c) which allows drawing (i) during the ten (10) Business Day period prior to expiry (unless otherwise replaced or extended) and (ii) upon downgrade of the issuer thereof such that it is no longer a Qualified Financial Institution if not replaced within thirty (30) Business Days of such downgrade.

"**Accreted Value**" means, with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amounts set forth in the Series Resolution authorizing such Capital Appreciation Bonds, as the amounts representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, as provided in such Series Resolution.

"**Act**" means the Act as defined in the recitals hereto.

"**Additional Rights**" means those additional rights provided to the TIFIA Lender by the Borrower pursuant to Section 16(l) (*Additional Rights*).

"**Additional Taxes**" means any taxes, other than Local Option Taxes, that are included as Pledged Taxes and pledged to the payment of Parity Bonds and Junior Obligations.

"**Additional Taxes Accounts**" means separate accounts of the Borrower, including any separate tax stabilization accounts, into which the Borrower deposits Additional Taxes.

"**Adopted Pledged Taxes Rate Adjustment**" means any reduction or increase in the rate of the imposition of Pledged Taxes if the Borrower has taken all actions and received all approvals required, if applicable, to adjust such Pledged Taxes and, in the case of an increase, to pledge such increased taxes to the payment of the Parity Bonds and the Junior Obligations, including the TIFIA Bond.

"**Agreement**" has the meaning provided in the preamble hereto.

"**Annual Bond Debt Service**" means, as of the date of calculation, with respect to any Bonds outstanding for any Calculation Period or for any year during a Projected Period, as applicable, the amount required in such period to pay for the principal of and interest on such Bonds, excluding interest and principal to be paid from the proceeds of the sale of such Bonds. For the purpose of calculating Annual Bond Debt Service for purposes of the

Debt Service Coverage Ratio or the Future Bonds tests set forth in Section 16(b) (*Issuance of Future Bonds*) of this Agreement, the Prior Reserve Account Requirement, the Parity Reserve Account Requirement and the TIFIA Reserve Account Requirement:

(a) in the case of Variable Rate Bonds for which a Qualified Hedge is not required under Section 15(n) (*Hedging and Variable Rate Bonds*), the assumed interest rate for such Bonds shall be the Assumed Variable Rate;

(b) in the case of Variable Rate Bonds for which a Qualified Hedge is required to be in effect under Section 15(n) (*Hedging and Variable Rate Bonds*) or has been executed, if such Qualified Hedge has the effect of (i) converting the Variable Rate to a synthetic fixed rate of interest, then the assumed interest rate for such Variable Rate Bonds shall be the synthetic fixed rate of interest payable by the Borrower under the Qualified Hedge for the term of the Qualified Hedge, or (ii) limiting the range of possible Variable Rates, then the assumed interest rate for such Variable Rate Bonds shall be the maximum possible Variable Rate payable by the Borrower under the Qualified Hedge for the term of the Qualified Hedge;

(c) in the case of Bonds for which a Qualified Hedge is executed that has the effect of converting the fixed rate of interest thereon to a synthetic Variable Rate, the assumed interest rate for such Bonds shall be the Assumed Variable Rate;

(d) in the case of Balloon Maturity Bonds or Variable Rate Bonds subject to a put, it shall be assumed that the principal of such Bonds, together with interest thereon at the rate applicable to such Bonds (calculated for such Variable Rate Bonds as set forth in paragraphs (a), (b) or (c) above, as applicable), shall be amortized in equal annual installments beginning with the first full calendar year following the date of calculation through the final term of such Bonds as set forth in the Series Resolution, provided that, no principal of such Bonds shall be assumed to be amortized in equal annual installments as herein set forth unless (x) at least one (1) Nationally Recognized Statistical Rating Organization has issued a long-term unenhanced underlying rating of at least "A-" or "A3" (or the equivalent thereto) on such Bonds and (y) such assumed amortization of principal represents the entire aggregate principal amount of the applicable Series of Bonds;

(e) in the case of Capital Appreciation Bonds, the principal and interest portions of the Accreted Value becoming due at maturity, or by virtue of a mandatory sinking fund deposit, shall be included in the calculation of accrued and unpaid and accruing interest on principal in such manner as is specified in the Series Resolution authorizing such Bonds; and

(f) if the Bonds are Paired Obligations, the interest rate on such Bonds shall be the resulting combined fixed interest rate to be paid by the Borrower with respect to such Paired Obligations.

"**Anti-Corruption Laws**" means all U.S. and other applicable laws, rules and regulations, as amended from time to time, concerning or related to bribery or corruption.

"**Anti-Money Laundering Laws**" means all U.S. and other applicable laws, rules and regulations, as amended from time to time, concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

"**Anticipated TIFIA Loan Disbursement Schedule**" means the schedule set forth in **Exhibit B** (*Anticipated TIFIA Loan Disbursement Schedule*), reflecting the anticipated disbursement of proceeds of the TIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(c) (*Disbursement Conditions*).

"**Application**" has the meaning provided in the recitals hereto.

"**Assumed Variable Rate**" means, as of the date of calculation, (a) with respect to Bonds that bear interest at a tax-exempt Variable Rate, a rate equal to the highest twelve (12)-month rolling average of the SIFMA Swap Index over the preceding ten (10) years, and (b) with respect to Bonds that bear interest at a taxable Variable Rate, a rate equal to the highest twelve (12)-month rolling average of the Federal Funds Rate over the preceding ten (10) years. If either of the foregoing indices ceases to be published, the applicable index shall be an index which the TIFIA Lender, in consultation with the Borrower, determines most closely replicates the applicable former index.

"**Average Annual Bond Debt Service**" means, as of any date of calculation, with respect to any Bonds, the aggregate Annual Bond Debt Service with respect to such Bonds (including any Bonds being issued at the time of calculation) outstanding divided by the number of years remaining during which such Bonds are scheduled to remain outstanding (commencing with the Borrower Fiscal Year following the year of calculation).

"**Balloon Maturity Bonds**" means a Series of Bonds the aggregate principal of which becomes due and payable, either at maturity or by mandatory redemption, in any Borrower Fiscal Year in an amount that constitutes 25% or more of the initial aggregate principal of such Series of Bonds, including commercial paper obligations with a maturity of not more than two-hundred seventy (270) days from their date of issuance.

"**Bank Secrecy Act**" means the Bank Secrecy Act of 1970 (Titles I and II of Pub. L. No. 91-508, classified at 12 U.S.C. §§ 1829b and 1951-1959 and 31 U.S.C. §§ 312, 5311-5313, and 5316-5322), as amended from time to time, and any successor statute of similar import, and the regulations promulgated thereunder.

"**Bankruptcy Related Event**" means, with respect to any Person, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) such Person shall (i) apply for or consent to the

appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Borrower, fail to make two (2) consecutive payments of TIFIA Debt Service in accordance with the applicable provisions of Section 9 (*Payment of Principal and Interest*), (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; or (c) solely with respect to the Borrower, the transfer of funds on deposit in any Construction Account upon the occurrence and during the continuation of an Event of Default under the Bond Documents with respect to the Prior Bonds, the Parity Bonds or the First Tier Junior Obligations for application to the prepayment or repayment of any principal amount of the Prior Bonds, the Parity Bonds or the First Tier Junior Obligations other than in accordance with the provisions of the TIFIA Refinancing Resolution.

"**Base Case Financial Model**" means the Initial Base Case Financial Model, as the same may be updated from time to time by any Updated Base Case Financial Model.

"**Base Case Projections**" means, with respect to a Base Case Financial Model, the forecast for Pledged Taxes prepared using such Base Case Financial Model.

"**Base Period**" means, as of any date of calculation, (a) for purposes of calculating the Future Bonds Historic Debt Service Coverage Ratio, any consecutive twelve (12)-month period selected by the Borrower out of the immediately preceding eighteen (18) calendar months and (b) for purposes of calculating the Sufficiency Test, any consecutive twelve (12)-month period selected by the Borrower out of the immediately preceding sixteen (16) calendar months.

"**Board**" means the governing body of the Borrower.

"**Bond Documents**" means, collectively, the Prior Bond Resolution, the Parity Bond Resolutions, any Series Resolution, the Existing TIFIA Loan Documents, and the TIFIA Loan Documents.

"**Bondowners' Trustee**" means the bank or trust company appointed to serve in the capacity of Bondowners' Trustee pursuant to Section 19(g)(i) (*Events of Default and Remedies*) upon the occurrence of an Event of Default.

"**Bonds**" means, collectively, the Prior Bonds, the Parity Bonds and the Junior Obligations (including the Existing TIFIA Bonds and the TIFIA Bond).

"**Borrower**" has the meaning provided in the preamble hereto.

"**Borrower Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the Borrower commencing on January 1 of any calendar year and ending on December 31 of such year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days' prior written notice to the TIFIA Lender, as provided in Section 16(f) (*Organizational Documents; Fiscal Year*).

"**Borrower Pledged Taxes Sufficiency Certificate**" means a certificate executed by a Borrower's Authorized Representative in connection with the reduction of the Sales Tax in accordance with Section 15(l)(i) (*Sufficiency Test*).

"**Borrower's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 25 (*Borrower's Authorized Representative*).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which offices of the Federal Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, or in Seattle, Washington.

"**Calculation Period**" means, as of any date of calculation, a twelve (12)-month period ending on a Semi-Annual Payment Date.

"**Capital Appreciation Bonds**" means Bonds of any Series, all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Bonds; provided that if so provided in the Series Resolution authorizing their issuance, Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Bonds no longer are Capital Appreciation Bonds, they shall be deemed outstanding in a principal amount equal to their Accreted Value.

"**Capital Expenditures**" means expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto that have a useful life of more than one (1) year, which are capitalized in accordance with GAAP.

"**Capitalized Interest Period**" means the period from (and including) the Effective Date to (but excluding) the earlier of (a) the first day of the initial Payment Period and (b) the occurrence of a Bankruptcy Related Event.

"**Chief Executive Officer**" means the Chief Executive Officer of the Borrower (or comparable officer designated from time to time by resolution of the Board).

"**Chief Financial Officer**" means the Executive Director, Finance and Information Technology, of the Borrower (or comparable officer designated from time to time by resolution of the Board).

"**Congress**" has the meaning provided in the recitals hereto.

"**Construction Account**" means, with respect to the Project, any account that may be established by the Borrower for the deposit of proceeds of the TIFIA Loan to be applied subsequently to promptly pay or reimburse Eligible Project Costs.

"**Construction Contract**" means any contract, agreement, letter of intent, understanding or instrument entered into by the Borrower providing for the design, construction, testing and start-up of the Project, including any contract for heavy civil construction, systems work and vehicles and associated spare parts and any contract for general contractor/construction manager, design-build and design-bid-build contracts.

"**Construction Contractor**" means each contractor who is a party to a Principal Construction Contract.

"**Construction Period**" means the period from the Effective Date through the Substantial Completion Date.

"**Construction Schedule**" means the schedule on which the proposed construction timetable of the Project is set forth and attached as **Schedule II**, as the same may be amended from time to time after the Effective Date by the Borrower upon notice to the TIFIA Lender in accordance with Section 15(g)(viii)(B) (*Project Changes*) or in connection with the delivery of a Recovery Plan in accordance with Section 22(b)(iii) (*Recovery Plan*).

"**Contractual Obligation**" means, as to any Person, any contractual provision or any pledge issued or entered into by such Person under any indenture, resolution, contract, agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property or assets is bound.

"**Control**" means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms "**Controlling**," "**Controlled by**" and "**under common Control with**" have meanings correlative to the foregoing.

"**Covered Parity Bonds**" has the meaning provided in the Parity Bond Resolutions.

"**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84 = 100 (not seasonally adjusted), or its successor, published by the Bureau of Labor Statistics, with, unless otherwise specified herein, January 2021 as the base period.

"**Credit Facility**" means a direct-pay letter of credit (including a confirming letter of credit, if applicable) issued by a bank or a bond insurance policy issued by a monoline insurance company, in each case that by its terms secures the payment when due of the principal of or the Accreted Value of and the interest on Parity Bonds or Junior Obligations of one or more series and maturities.

"**Debt Service Coverage Ratio**" means, for each Calculation Period, as of any date of calculation, the ratio of: (a) Pledged Taxes received during such Calculation Period to (b) Annual Bond Debt Service on Prior Bonds, Parity Bonds and Junior Obligations for such Calculation Period.

"**Debt Service Payment Commencement Date**" means (a) for interest, the earlier to occur of (i) November 1, 2024, (ii) the Substantial Completion Date or, if such date does not fall on a Semi-Annual Payment Date, then the Semi-Annual Payment Date immediately succeeding the Substantial Completion Date and (iii) a Bankruptcy Related Event, and (b) for principal, the earlier to occur of (i) November 1, 2029 and (ii) the fifth (5^{th}) anniversary of the Substantial Completion Date or, if such date does not fall on a Semi-Annual Payment Date, then the Semi-Annual Payment Date immediately preceding the fifth (5^{th}) anniversary of the Substantial Completion Date.

"**Default**" means any event or condition that, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

"**Default Rate**" means an interest rate equal to the sum of (a) the TIFIA Interest Rate plus (b) two percent (2.00%).

"**Delegation**" has the meaning provided in Section 26(b) (*TIFIA Lender's Authorized Representative*).

"**Development Default**" means the Borrower fails to either (a) diligently prosecute the work related to the Project and, if a Recovery Plan for the Project has been provided in accordance with Section 22(b)(iii) (*Recovery Plan*), in accordance with such Recovery Plan, or (b) complete the Project in accordance with the Financial Plan most recently submitted to the TIFIA Lender.

"**Disbursement Suspension Notice**" has the meaning provided in Section 12(c) (*Conditions Precedent*).

"**DOL Agreement**" means the Interagency Agreement between the State of Washington Department of Licensing and Central Puget Sound Regional Transit Authority (DOL Agreement No. K682)), dated as of July 28, 2010 (as amended July 7, 2020), by and between the Washington State Department of Licensing and the Borrower.

"**DOR Agreement**" means that certain Agreement for State Administration of Regional Transit Authority Sales, Use and Rental Car Taxes (Contract No. IAC08-19), dated April 29, 2011, by and between the Borrower and the State of Washington Department of Revenue for the administration of local option sales/use and rental car taxes.

"**DRLE Project**" means the implementation of approximately 3.4 miles of double-track light rail connecting Redmond Technology Station to downtown Redmond, with two (2) new stations in southeast Redmond, serving Marymoor Village near Marymoor Park and in the downtown residential and retail core, and 10 light rail vehicles, as more particularly described in the NEPA Determination (as defined in the TIFIA DRLE Loan Agreement).

"**East Link Light Rail Project**" means the construction of approximately 14.5 miles of double-track light rail connecting the Cities of Seattle, Mercer Island, Bellevue and Overlake/Redmond in King County, Washington. This extension will connect to the existing rail system of the Borrower at the International District/Chinatown Station which runs from downtown Seattle to SeaTac Airport (and is currently being extended north to the University of Washington and south to S. 200th St in SeaTac, WA by another project not the subject of this Agreement). The East Link Light Rail Project includes: ten intermodal stations (located at Rainier Ave, Mercer Island, South Bellevue, East Main Street, Bellevue Transit Center, Hospital Station, 120th Ave, 130th Ave, Overlake Village and Overlake Transit Center), 46 light rail vehicles, and pedestrian and bicycle improvements. The light rail alignment involves a combination of at-grade (including 1.1 miles on the existing I-90 floating bridge), below-grade and above-grade sections. Additional parking at three stations will add approximately 2000 stalls to the existing parking as follows: at the South Bellevue Station, construction of a parking garage with approximately 1400 stalls as well as bus-transfer facilities; at the 130th Avenue Station, located between 130th Avenue NE and 132nd Avenue NE, construction of a new 300 stall park-and-ride adjacent and immediately to the north of the Overlake Transit Center Station. The Overlake Transit Center will be rebuilt to accommodate light rail and approximately 300 parking stalls and improved bus-transfer facilities. FTA has oversight of the East Link Light Rail Project.

"**East Link Project**" means, collectively, the East Link Light Rail Project and the I-90 HOV Expansion Project (Stage 3).

"**Effective Date**" means the date of this Agreement.

"**Electronic Signature**" means any electronic symbol or process attached to or logically associated with a contract or other record and executed or adopted by a Person with the intent to sign such contract or record pursuant to the Uniform Electronic Transaction Act as enacted in the State (RCW 1.80), as amended from time to time.

"**Eligible Project Costs**" means amounts in the Project Budget, substantially all of which are paid by or for the account of the Borrower in connection with the Project, all of which shall arise from the following:

(a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment; or

(c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided, however, that Eligible Project Costs must be consistent with (i) 23 U.S.C. §601 et seq., (ii) 49 U.S.C. § 5302, (iii) the Standard Cost Categories identified in **Schedule I** comprising the Project Budget, and (iv) all other applicable federal law.

"**Environmental Laws**" has the meaning provided in Section 13(r) (*Environmental Matters*).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, Pub. L. 93-406 (29 U.S.C. §1001 *et seq.*) as amended from time to time, and any successor statute of similar import, and the regulations thereunder.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Tax Code (defined below) or, solely for purposes of Section 302 of ERISA and Section 412 of the Tax Code, is treated as a single employer under Section 414 of the Tax Code.

"**Event of Default**" has the meaning provided in Section 19(a) (*Events of Default and Remedies*).

"**Excess Taxes**" means, following the occurrence of a Revenue Sharing Trigger Event, an amount in each month equal to 50% of the amount by which the Pledged Taxes on deposit in the Local Option Tax Accounts in such month exceed the amounts in such month described in paragraphs *First* through *Eleventh* in Section 8(d) (*Security and Priority; Flow of Funds*).

"**Executive Director**" has the meaning provided in the preamble hereto.

"**Existing ST Project**" means any of the DRLE Project, the Lynnwood Link Extension Project, the East Link Project, the Northgate Link Extension Project and the O&M Facility East Project.

"**Existing TIFIA Bonds**" means, collectively, the TIFIA DRLE Bond, the TIFIA Lynnwood Link Bond, the TIFIA East Link Bond, the TIFIA Northgate Link Bond and the TIFIA O&M Facility East Bond.

"**Existing TIFIA Loan Documents**" means, collectively, the TIFIA DRLE Loan Documents, the TIFIA Lynnwood Link Loan Documents, the TIFIA East Link Loan Documents, the TIFIA Northgate Link Loan Documents and the TIFIA O&M Facility East Loan Documents.

"**Existing TIFIA Loans**" means, collectively, the TIFIA DRLE Loan, the TIFIA Lynnwood Link Loan, the TIFIA East Link Loan, the TIFIA Northgate Link Loan and the TIFIA O&M Facility East Loan.

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day.

"**Federal Government**" means the Federal Government of the United States of America and its departments and agencies.

"**Final Maturity Date**" means the earliest to occur of (a) May 1, 2059, or (b) the Semi-Annual Payment Date occurring on or immediately prior to the thirty-fifth (35th) anniversary of the Substantial Completion Date, or (c) the Semi-Annual Payment Date occurring on or immediately prior to the thirty-fifth (35th) anniversary of the Substantial Completion Date with respect to the Lynnwood Link Extension Project, or (d) the Semi-Annual Payment Date occurring on or immediately prior to the fortieth (40th) anniversary of the date of the initial disbursement of TIFIA Loan proceeds to the Borrower in accordance with Section 4(a) (*Disbursement Conditions*); provided, however, that if any such date does not fall on a Business Day, the Final Maturity Date shall be the Business Day immediately preceding such date.

"**Financial Plan**" means (a) the financial plan for the Project to be delivered within sixty (60) days after the Effective Date in accordance with Section 21(a) (*Financial Plan, Statements, and Reports*), and (b) any updates thereto required pursuant to Section 21(a) (*Financial Plan, Statements, and Reports*).

"**Financial Statements**" has the meaning provided in Section 13(y) (*Financial Statements*).

"**First Tier Junior Obligations**" means obligations of the Borrower issued pursuant to a Series Resolution and in accordance with Section 16(b) (*Issuance of Future Bonds*) and secured by a pledge of or payable from the Pledged Taxes as described in paragraphs *Fifth* and *Sixth* in Section 8(d) *Security and Priority; Flow of Funds*), subordinate to the pledge that secures the Parity Bonds but senior to the pledge that secures the Second Tier Junior Obligations (including the Existing TIFIA Bonds and the TIFIA Bond).

"**Fixed Level Payment**" has the meaning provided in Section 9(d) (*Fixed Level Payments*).

"**FTA**" means the Federal Transit Administration, an agency of the USDOT.

"**FTA Master Agreement**" means the Fiscal Year 2021 FTA Master Grant Agreement, FTA MA(28), dated February 9, 2021, between FTA and the Borrower, as the same may be supplemented or amended from time to time.

"**FTA Project Management Oversight Regulations**" means the requirements and conditions for project management oversight procedures set forth in 49 U.S.C. § 5327 and in 49 CFR part 633.

"**FTA Regional Office**" means the United States Department of Transportation, Federal Transit Administration Region X Office.

"**Future Bonds**" means, collectively, the Future Prior Bonds, the Future Parity Bonds and any Junior Obligations other than the Existing TIFIA Bonds.

"**Future Bonds Historic Debt Service Coverage Ratio**" means, as of any date of calculation, the ratio of: (a) Pledged Taxes received during the applicable Base Period to (b) Maximum Annual Bond Debt Service on Prior Bonds, Parity Bonds and Junior Obligations that will be outstanding, after giving effect to the Future Bonds proposed to be issued.

"**Future Bonds Projected Debt Service Coverage Ratio**" means, as of any date of calculation, the ratio of: (a) Projected Pledged Taxes for each calendar year during the applicable Projected Period to (b) Maximum Annual Bond Debt Service on Prior Bonds, Parity Bonds and Junior Obligations that will be outstanding, after giving effect to the Future Bonds proposed to be issued.

"**Future Parity Bonds**" means any bonds, notes or other obligations of the Borrower issued pursuant to a Series Resolution and in accordance with Section 16(b) (*Issuance of Future Bonds*) and secured by a pledge of or payable from the Pledged Taxes as described in paragraphs *Third* and *Fourth* in Section 8(d) (*Security and Priority; Flow of Funds*), which are expressly stated to be secured by a pledge of Pledged Taxes on an equal and ratable basis with the Pledged Taxes required to be paid into the Parity Bond Account to pay and secure the payment of the principal of and interest on Parity Bonds then outstanding.

"**Future Prior Bonds**" means any bonds, notes or other obligations of the Borrower issued pursuant to a Series Resolution and in accordance with Section 16(b) (*Issuance of Future Bonds*) and secured by a pledge of or payable from the Local Option Taxes as described in paragraphs *First* and *Second* in Section 8(d) (*Security and Priority; Flow of Funds*), which are expressly stated to be secured by a pledge of Local Option Taxes on an equal and ratable basis with the Local Option Taxes required to be paid into the Local Option Tax Accounts to pay and secure the payment of the principal of and interest on the Prior Bonds then outstanding.

"**GAAP**" means generally accepted accounting principles as defined by the Governmental Accounting Standards Board, or such other nationally recognized professional body, in effect from time to time in the United States of America.

"**Government Obligations**" means (a) direct obligations of, or obligations on which the timely payment of principal and interest are fully and unconditionally guaranteed by, the Federal Government, (b) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal

Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by a Person Controlled or supervised by and acting as an instrumentality of the Federal Government pursuant to authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated, in each case.

"**Governmental Approvals**" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority relating to the Project.

"**Governmental Authority**" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"**Hedging Agreement**" means (a) the ISDA Master Agreement(s) and any related credit support annex, schedules and confirmations to be entered into by the Borrower and a Qualified Hedge Provider, (b) any other agreement entered into, or to be entered into, by the Borrower and a Qualified Hedge Provider for a Hedging Transaction and (c) any other documentation directly relating to the foregoing.

"**Hedging Transaction**" means any interest rate protection agreement, interest rate swap transaction, interest rate "cap" transaction, interest rate future, interest rate option or other similar interest rate hedging arrangement commonly used in loan transactions to hedge against interest rate increases and not for any speculative purposes.

"**I-90 HOV Expansion Project (Stage 3)**" means the construction of eight miles of high occupancy vehicle (HOV) lanes along the I-90 floating bridge and enhanced life safety improvements and fire suppression systems in tunnels along the corridor, which connects the Cities of Seattle, Mercer Island and Bellevue, Washington, by providing dedicated HOV lanes in each direction to supplement the two existing reversible HOV lanes.

"**IGA Agreement**" means the Inter-Governmental Agreement by and between the Borrower and King County dated July 15, 2019, which agreement provides for the operations and maintenance of the Borrower's light rail system, as such agreement may be amended or supplemented from time to time, including any superseding agreement entered into to provide the same or similar functions in accordance with the terms of Section 16(c) (*No Lien Extinguishment or Adverse Amendment*).

"**Indemnitee**" has the meaning provided in Section 17 (*Indemnification*).

"**Initial Base Case Financial Model**" means the financial model prepared by or on behalf of the Borrower and delivered by the Borrower to the TIFIA Lender pursuant to Section 12(a)(ix) (*Conditions Precedent to Effectiveness*) forecasting the cash flows and the availability of Pledged Taxes for time periods from the Effective Date through December 2060 for the TIFIA Loan and the Existing TIFIA Bonds and based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender, which financial model shall be provided to the TIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format requested by the TIFIA Lender.

"**Insolvency Laws**" means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

"**Investment Policy**" means the investment policy or asset management plan of the Borrower, as approved by the Board from time to time.

"**ISDA Master Agreement**" means a master agreement entered into by the Borrower and a Qualified Financial Institution in the form published by the International Swaps and Derivatives Association, Inc.

"**Junior Obligations**" means the First Tier Junior Obligations and Second Tier Junior Obligations.

"**Level Payment Commencement Date**" means May 1, 2040.

"**Level Payment Period**" means the period commencing on the Level Payment Commencement Date and ending on the Final Maturity Date (or on such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash).

"**Lien**" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

"**Liquidity Facility**" means a letter of credit, a line of credit, a standby bond purchase agreement or a similar agreement, in each case that provides for the purchase of, or the funding of amounts to purchase, Parity Bonds or Junior Obligations that are subject to purchase on mandatory or optional tender or purchase dates and/or on dates specified for purchase at the option of the Owners of such Parity Bonds or Junior Obligations.

"**Loan Amortization Schedule**" means the Loan Amortization Schedule reflected in the applicable column of **Exhibit F** (*TIFIA Debt Service*), as amended from time to time in accordance with Section 7 (*Outstanding TIFIA Loan Balance and Revisions to Exhibit F and the Loan Amortization Schedule*).

"**Local Option Tax Accounts**" means the revenues accounts established by the Borrower in the Borrower's Proprietary Fund ("**Enterprise Fund**") for the deposit of Local Option Taxes.

"**Local Option Taxes**" means (a) the 1996 Motor Vehicle Tax, together with the additional special motor vehicle excise tax levied by the Borrower as of the Effective Date at the rate of 0.8% and rental car sales and use tax levied by the Borrower as of the Effective Date at the rate of 0.8%, each as authorized by RCW 81.104.160, and (b) the sales and use tax authorized by RCW 81.104.170, initially approved at an election held on November 5, 1996 and levied by the Borrower as of the Effective Date at the rate of 0.4%, together with the additional sales and use tax approved at an election held on November 4, 2008 and levied by the Borrower as of the Effective Date at the rate of 0.5%, together with the additional sales and use tax approved at an election held on November 8, 2016 and levied by the Borrower as of the Effective Date at the rate of 0.5%, as such taxes may be levied from time to time by the Borrower.

"**Lynnwood Link Extension Project**" means the implementation of approximately 8.5 miles of double-track light rail extension connecting the Northgate Transit Center in Seattle, Washington, to Lynnwood, Washington, with four (4) new stations at approximately Northeast 145th Street, Northeast 185th Street, the Mountlake Terrace Transit Center at 236th Street Southwest and the Lynnwood Transit Center, respectively, the addition of approximately 1,500 new parking spaces, and thirty-four (34) light rail vehicles, in each case as more particularly described in the NEPA Determination (as defined in the TIFIA Lynnwood Link Loan Agreement).

"**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, (b) the Pledged Taxes, (c) the validity, enforceability or priority of the TIFIA Lien or (d) with respect to the Project, (i) the legality, validity or enforceability of any material provision of any TIFIA Loan Document, any Principal Project Contract, (ii) the ability of the Borrower or any Principal Project Party to enter into any TIFIA Loan Document or any Principal Project Contract to which it is a party related to the Project, (iii) the ability of the Borrower or any Principal Project Party to perform, or comply with, any of its material obligations under any TIFIA Loan Document or any Principal Project Contract to which it is a party related to the Project or (iv) the TIFIA Lender's rights or remedies available under any TIFIA Loan Document.

"**Maximum Annual Bond Debt Service**" means for any Calculation Period for any Bonds, as of the date of calculation, the highest Annual Bond Debt Service with respect to all such Bonds (including any Bonds being issued at the time of calculation) that will mature or come due in the current or any future Calculation Period.

"**Maximum Annual Prior Bond Debt Service**" means, as of the date of calculation, the highest Annual Bond Debt Service with respect to all Prior Bonds (including any Prior Bonds being issued at the time of calculation) that will mature or come due in the current or any future Borrower Fiscal Year.

"**Motor Vehicle Tax**" means the special motor vehicle excise tax authorized by RCW 81.104.160.

"**Nationally Recognized Statistical Rating Organization**" or "**NRSRO**" means a rating agency registered with the Securities and Exchange Commission as a nationally recognized statistical rating organization (as defined in 15 U.S.C. § 78c(a)(62)).

"**NEPA**" means the National Environmental Policy Act of 1969, Pub. L. 91-190 (42 U.S.C. § 4321 *et seq.*), and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

"**NEPA Determination** means, collectively, the Record of Decision (ROD) for the Project issued by FTA on March 6, 2017 and the Record of Decision (ROD) for the Project issued by the Federal Highway Administration, an agency of USDOT, on March 9, 2017, in each case in accordance with NEPA.

"**Net Revenues**" means, for any period, the Total Revenues (for such period) less Operations and Maintenance Expenses for such period.

"**Northgate Link Extension Project**" means the implementation of approximately 4.3 miles of double-track light rail extension connecting the University of Washington Station in Seattle, Washington, to the Northgate neighborhood in northern Seattle, including three (3) stations located near the Northgate Mall and the Northgate Transit Center, Northeast 65th Street and 12th Avenue Northeast, and Brooklyn Avenue Northeast and Northeast 45th Street, respectively, as each is more particularly described as Segment A in the NEPA Determination (as defined in the TIFIA Northgate Link Loan Agreement).

"**O&M Facility East Project**" means the implementation of a light rail storage and maintenance facility on property located between a former BNSF Railway railroad right-of-way on the west and 120th Avenue Northeast on the east, south of State Route 520 and north of Northeast 12th Street in the City of Bellevue, Washington, in each case as more particularly described in the NEPA Determination (as defined in the TIFIA O&M Facility East Loan Agreement).

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**Operations and Maintenance Expenses**" means (a) all expenses that do not constitute expenses for a capital project as defined at 49 U.S.C. 5302(3) and (b) the costs incurred in connection with the administration of the Borrower, including but not limited to a share, determined by the Borrower in its reasonable discretion in accordance with the formula set forth in its internal cost allocation plan of the salaries and benefits payable to employees of the Borrower. For the avoidance of doubt, the term "Operations and

Maintenance Expenses" shall not include any allowance for amortization or depreciation or any non-cash expenses.

"**Organizational Documents**" means (a) the constitutional and statutory provisions that are the basis for the existence and authority of the Borrower, including any enabling statutes, ordinances or public charters and any other organic laws establishing the Borrower and (b) the bylaws, code of regulations, operating procedures or other organizational documents of, or adopted by, the Borrower by which it and its powers, securities, bonds, notes and other obligations, and its operations and procedures, are governed or from which such powers are derived.

"**Other Indebtedness Covenant Default**" has the meaning provided in Section 19(a)(vi) (*Cross Default*).

"**Other Indebtedness Misrepresentation Default**" has the meaning provided in Section 19(a)(vi) (*Cross Default*).

"**Other Loan Documents**" has the meaning provided in Section 19(a)(vi) (*Cross Default*).

"**Other Material Indebtedness**" has the meaning provided in Section 19(a)(v) (*Acceleration of Senior Obligations or Other Material Indebtedness*).

"**Other Second Tier Junior Obligations**" means any Second Tier Junior Obligations of the Borrower other than the TIFIA Bond.

"**Other TIFIA Bonds**" means any Other Second Tier Junior Obligations (including the Existing TIFIA Bonds) owed by the Borrower to the TIFIA Lender.

"**Outstanding TIFIA Loan Balance**" means the aggregate principal amount drawn by the Borrower and then outstanding (including capitalized interest) with respect to the TIFIA Loan, as determined in accordance with Section 7 (*Outstanding TIFIA Loan Balance and Revisions to Exhibit F and the Loan Amortization Schedule*).

"**Owner**" means the registered owner of a Bond.

"**Paired Obligations**" means any two Series of Prior Bonds or any two Series of Parity Bonds (or portions thereof) designated as Paired Obligations in a Series Resolution, which are simultaneously issued or incurred and the interest rates on which, taken together, result in irrevocable fixed interest rate Bonds for the term of such Bonds.

"**Parity Bond Account**" means the Parity Bond Account created pursuant to the Parity Bond Resolution.

"**Parity Bond Resolutions**" means (a) Resolution No. R2009-16, adopted on September 29, 2009, (b) Resolution No. R2012-16, adopted on June 28, 2012, (c) Resolution No. R2015-16, adopted on July 23, 2015, (d) Resolution No. R2015-17, adopted on July 23, 2015, (e) Resolution No. R2016-32 and Resolution No. R2016-34,

each adopted on November 29, 2016, and (f) any subsequent resolution adopted by the Board to authorize the issuance of Future Parity Bonds in accordance with Section 16(b) (*Issuance of Future Bonds*).

"**Parity Bonds**" means the 2009 Parity Bonds, the 2012 Parity Bonds, the 2015 Parity Bonds, the 2016 Parity Bonds and any Future Parity Bonds.

"**Parity Reserve Account**" means the special account of the Borrower created by the Parity Bond Resolutions.

"**Parity Reserve Account Requirement**" means, (a) for the 2012 Parity Bonds, 2015 Parity Bonds and 2016 Parity Bonds, zero, (b) for Future Parity Bonds designated in a Series Resolution as "Covered Parity Bonds", the lesser of: (i) Maximum Annual Bond Debt Service with respect to all Covered Parity Bonds (including any Covered Parity Bonds being issued at the time of calculation) that will mature or come due in the current or any future Borrower Fiscal Year or (ii) 125% of Average Annual Bond Debt Service with respect to Covered Parity Bonds; provided that, upon the issuance of any Series of Future Parity Bonds, the Parity Reserve Account Requirement shall not be required to be funded or increased by an amount greater than 10% of the proceeds of that Series, and (c) for Future Parity Bonds that are not Covered Parity Bonds, the amount (which may be zero) specified in a Series Resolution as the Parity Reserve Account Requirement for the Parity Bonds of such Series. For purposes of calculating the Parity Reserve Account Requirement, the initial issue price of Parity Bonds that constitute Capital Appreciation Bonds shall be deemed to be the sale proceeds of such Capital Appreciation Bonds.

"**Patriot Act**" means the USA PATRIOT Act, also known as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended from time to time, and any successor statute of similar import, and the regulations promulgated thereunder.

"**Payment Default**" has the meaning provided in Section 19(a)(i) (*Payment Default*).

"**Payment Period**" means any period of six (6) months from (and including) a Semi-Annual Payment Date to (but excluding) the immediately succeeding Semi-Annual Payment Date, commencing with the six (6)-month period ending on the Debt Service Payment Commencement Date.

"**Permitted Debt**" means:

(a) the Prior Bonds and Parity Bonds outstanding as of the Effective Date;

(b) the Existing TIFIA Loans, as evidenced by the Existing TIFIA Bonds and the TIFIA Loan, as evidenced by the TIFIA Bond;

(c) any Future Bonds issued in accordance with Section 16(b) (*Issuance of Future Bonds*);

(d) indebtedness incurred in respect of any credit enhancement for payments of the principal or purchase price of and/or interest on Bonds described in clause (a) or (c) of this definition and issued in accordance with Section 16(b) (*Issuance of Future Bonds*); and

(e) indebtedness incurred in respect of Qualified Hedges.

"**Permitted Investments**" means (with respect to the investment of the proceeds of the TIFIA Loan or any construction or reserve account established and maintained in connection with the Bonds):

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by the Federal Government;

(c) repurchase agreements with counterparties that have an Acceptable Credit Rating, when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

(d) commercial paper that is rated at the time of purchase in the highest short-term Rating Category of at least two (2) Nationally Recognized Statistical Rating Organizations and that matures not more than two hundred seventy (270) days after the date of purchase;

(e) the Local Government Investment Pool administered by the State Treasurer pursuant to chapter 43.250 RCW and the King County Investment Pool administered by the Executive Finance Committee of King County pursuant to chapter 4.10 of the King County Code;

(f) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, at the time such agreement or contract is entered into, in one of the two (2) highest Rating Categories for comparable types of obligations by any Nationally Recognized Statistical Rating Organization; and

(g) money market funds that invest solely in obligations of the United States of America, its agencies and instrumentalities, and having a rating by a Nationally Recognized Rating Agency equal to the then applicable rating of the United States of America by such Nationally Recognized Statistical Rating Organization;

provided that, with respect to any Permitted Investments maintained in the TIFIA Debt Service Account or the TIFIA Reserve Account, such Permitted Investments shall mature

not more than one (1) year from the date of purchase; provided, further, that such investments shall in all events mature or be redeemable at the election of the holder on or prior to the date on which the funds invested in such Permitted Investments are needed for any payment from such account.

"**Permitted Liens**" means:

(a) the TIFIA Lien;

(b) Liens imposed pursuant to the Bond Documents;

(c) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 15(m) (*Material Obligations; Liens*);

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 15(m) (*Material Obligations; Liens*);

(e) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;

(f) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(g) judgment liens in respect of judgments that do not constitute an Event of Default under Section 19(a)(vii) (*Judgments*);

(h) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not, in each case, secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower;

(i) any Lien on any property or asset of the Borrower existing on the Effective Date; provided that such Lien (i) shall not apply to any other property or asset of the Borrower and (ii) shall secure only those obligations which it secures on the Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(j) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower; provided that such Lien (i) is not created in contemplation of or in connection with such acquisition, (ii) shall apply solely to the acquired assets and not apply to any other property or assets of the Borrower, and (iii) shall secure only those obligations which it secures on the date of such acquisition, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(k) purchase money security interests in equipment hereafter acquired by the Borrower; provided that (i) such security interests secure indebtedness for borrowed money permitted by Section 16(a) (*Permitted Indebtedness*), (ii) such security interests are incurred, and the indebtedness secured thereby is created, within ninety (90) days after such acquisition, (iii) the indebtedness secured thereby does not exceed the fair market value of such equipment at the time of such acquisition and (iv) such security interests do not apply to any other property or assets (other than accessions to such equipment) of the Borrower.

"**Person**" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

"**Pledged Taxes**" means (a) the rental car sales and use tax levied by the Borrower as of the Effective Date at the rate of 0.8%, as authorized by RCW 81.104.160, (b) the sales and use tax authorized by RCW 81.104.170, initially approved at an election held on November 5, 1996 and levied by the Borrower as of the Effective Date at the rate of 0.4%, together with the additional sales and use tax approved at an election held on November 4, 2008 and levied by the Borrower as of the Effective Date at the rate of 0.5%, together with the additional sales and use tax approved at an election held on November 8, 2016 and levied by the Borrower as of the Effective Date at the rate of 0.5%, (c) the 1996 Motor Vehicle Tax, together with the additional motor vehicle excise tax approved at an election held on November 8, 2016 and levied by the Borrower as of the Effective Date at the rate of 0.8% and (d) Additional Taxes if pledged to the payment of the Parity Bonds and Junior Obligations and as such taxes may be levied from time to time by the Borrower.

"**Principal Construction Contract**" means a Construction Contract listed in Part B of the Principal Project Contracts Schedule, as such Construction Contract is in effect from time to time .

"**Principal Project Contracts**" means the agreements specified in the Principal Project Contracts Schedule.

"**Principal Project Contracts Schedule**" means the schedule attached as **Schedule III**.

"**Principal Project Party**" means any Person (other than the Borrower) party to a Principal Project Contract.

"**Prior Bond Account**" means the special account of the Borrower created by the Prior Bond Resolution for the purpose of paying the principal, sinking fund installments, redemption price, if any, and interest on Prior Bonds.

"**Prior Bond Resolution**" means Resolution No. R98-47 adopted November 12, 1998, as amended, supplemented or restated from time to time, including as amended and restated by Resolution No. R2009-15 adopted on September 10, 2009 and by Resolution No. R2012-14 adopted on June 28, 2012, and as further amended by Resolution No. R2012-15 adopted on July 23, 2015.

"**Prior Bonds**" means the 1999 Prior Bonds, the 2009 Prior Bonds, the 2012 Prior Bonds and any Future Prior Bonds.

"**Prior Reserve Account**" means the special account of the Borrower created by the Prior Bond Resolution.

"**Prior Reserve Account Requirement**" means the lesser of (a) 125% of Average Annual Bond Debt Service with respect to all outstanding Prior Bonds or (b) the sum of (i) 100% of the Annual Bond Debt Service with respect to the outstanding 1999 Prior Bonds and (ii) 50% of the Annual Bond Debt Service with respect to all other outstanding Prior Bonds, in each case in the Borrower Fiscal Year in which Maximum Annual Prior Bond Debt Service with respect to all outstanding Prior Bonds occurs; provided that, at the time of issuance of any Series of Prior Bonds, the Prior Reserve Account Requirement allocable to a Series of Prior Bonds shall not exceed 10% of the initial principal amount of that Series of Prior Bonds. Notwithstanding the foregoing, so long as the municipal bond insurance policy or the municipal bond debt service reserve fund policy for the 1999 Prior Bonds is in effect, if in any Borrower Fiscal Year the Local Option Taxes received are less than 2.50 times Maximum Annual Prior Bond Debt Service, the foregoing clause (b) above shall be adjusted to read "100% of Maximum Annual Prior Bond Debt Service with respect to all outstanding Prior Bonds," and any additional amount required to be on deposit in the Prior Reserve Account shall be provided within one (1) year by twelve (12) approximately equal monthly installments; and provided, further, that the foregoing clause (b) shall be so adjusted until after two (2) consecutive Borrower Fiscal Years in which Local Option Taxes received are not less than 2.50 times Maximum Annual Prior Bond Debt Service.

"**Project**" means the implementation of approximately 7.6 miles of double-track light rail connecting Angel Lake Station in the City of SeaTac, Washington, to Federal Way, Washington, with three (3) new stations, each with parking facilities, proposed to be located at approximately Highline College (Kent/Des Moines Station) in Kent, Washington, South 272nd Street near Star Lake (Star Lake Station) in Kent, Washington, and South 316th Street (Federal Way Transit Center) in Federal Way, Washington, respectively, and nineteen (19) light rail vehicles, in each case as more particularly described in the NEPA Determination.

"**Project Budget**" means the aggregate budget for the Project in an amount equal to $3,008,320,000 attached to this Agreement as **Schedule I**, which schedule contains the individual budgets and the estimated sources and uses of funds for the Project, as such budgets and estimated sources and uses of funds may be amended from time to time subject to the reporting requirements in Section 22(b) (*Reporting*).

"**Projected Period**" means a forecast period of three (3) consecutive years commencing with the calendar year immediately succeeding the date of issuance of any Future Bonds then proposed to be issued.

"**Projected Pledged Taxes**" means, for any date of calculation, the projected Pledged Taxes for the applicable period as shown in the most recent Tax Revenue Forecast;

provided that the date of the Tax Revenue Forecast shall not be more than twelve (12) months prior to the date of such calculation.

"**Projected Substantial Completion Date**" means December 31, 2024, as such date may be adjusted in accordance with Section 21(a)(iii) (*Financial Plan, Statements, and Reports*).

"**Qualified Financial Institution**" means any bank or trust company authorized to engage in the business of banking that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof that has a long-term credit rating of at least one of the two (2) highest Rating Categories.

"**Qualified Hedge**" means, to the extent from time to time permitted by law, with respect to Permitted Debt, any Hedging Transaction entered into with a Qualified Hedge Provider and meeting the requirements of Section 15(n) (*Hedging and Variable Rate Bonds*).

"**Qualified Hedge Provider**" means any bank or trust company authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof that has an Acceptable Credit Rating.

"**Rating Category**" means one of the generic rating categories of a Nationally Recognized Statistical Rating Organization without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"**Ratio Calculation Date**" means each June 15 and December 15 occurring after the Effective Date or, if such date is not a Business Day, the next Business Day following such June 15 or December 15.

"**Recovery Plan**" means a recovery plan with respect to the construction of the Project that has been prepared by the Borrower and delivered to the TIFIA Lender and the FTA Regional Office, which plan includes a certificate signed by a Borrower's Authorized Representative concluding that Substantial Completion is expected to occur by the date specified in such Recovery Plan.

"**Related Documents**" means the Bond Documents (including the TIFIA Loan Documents but excluding the Existing TIFIA Loan Documents), the Principal Project Contracts and any Hedging Agreements related to Qualified Hedges.

"**Rental Car Tax**" means the rental car sales and use tax authorized by RCW 81.104.160(2).

"**Rental Car Tax Rate**" means, as of any date, the maximum rate of the Rental Car Tax authorized to be levied by the Borrower in accordance with RCW 81.104.160(2) that is included as part of the Pledged Taxes, which rate, as of the Effective Date, is eight-tenths of one percent (.8%).

"**Requisition**" has the meaning provided in Section 4(a) (*Disbursement Conditions*).

"**Reserve Accounts**" means the Prior Reserve Account, the Parity Reserve Account and the TIFIA Reserve Account.

"**Revenue Coverage Ratio**" means, as of any date of calculation, (a) for any prior Calculation Period, the ratio of: (i) Net Revenues received by or on behalf of the Borrower during such Calculation Period to (ii) the actual Total Debt Service paid or payable by the Borrower during such Calculation Period, and (b) for any projected Calculation Period, the ratio of: (i) Net Revenues projected to be received by or on behalf of the Borrower during such Calculation Period to (ii) the projected Total Debt Service payable by the Borrower during such Calculation Period.

"**Revenue Sharing Account**" means the special account of the Borrower created under the TIFIA Refinancing Resolution.

"**Revenue Sharing Trigger Event**" shall be deemed to exist if at any time the Borrower is not actively engaged in the development of a capital program expanding the regional Sound Transit system pursuant to an authorized and voter approved capital expenditure program (including, for the avoidance of doubt, the ST2 Capital Program, the ST3 Capital Program or any other successor or replacement capital expenditure program thereto).

"**Sales Tax**" means the sales and use tax authorized by RCW 81.104.170.

"**Sales Tax Rate**" means, as of any date, the maximum rate of the Sales Tax permitted to be imposed by the Borrower in accordance with RCW 81.104.170 that is included as part of the Pledged Taxes, which rate, as of the Effective Date, is one and four-tenths percent (1.4%).

"**Sales Tax Reduced Rate**" means a rate equal to the then applicable Sales Tax Rate minus 0.1%.

"**Sanctioned Country**" means, at any time, a country or territory which is itself the subject or target of any Sanctions.

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country, or (c) any Person owned or Controlled by any such Person or Persons.

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Federal Government, including those administered by OFAC or the U.S. Department of State.

"**Second Tier Junior Obligations**" means the TIFIA Bond, the Existing TIFIA Bonds and any other obligations of the Borrower secured by a pledge of or payable from the Pledged Taxes on a parity with the pledge that secures the TIFIA Bond.

"**Secretary**" means the United States Secretary of Transportation.

"**Semi-Annual Payment Date**" means each May 1 and November 1 to and including the Final Maturity Date.

"**Senior Obligations**" means the Prior Bonds, the Parity Bonds, the First Tier Junior Obligations and any other obligations of the Borrower, issued or incurred in accordance with Section 16(b) (*Issuance of Future Bonds*) and secured by a pledge of or payable from the Pledged Taxes as described in paragraphs *First* through *Sixth* in Section 8(d) (*Security and Priority; Flow of Funds*).

"**Series**" means any separate series of Prior Bonds, Parity Bonds or Junior Obligations issued pursuant to a Series Resolution.

"**Series Resolution**" means a resolution or resolutions adopted by the Board authorizing the issuance of one or more Series of Prior Bonds, Parity Bonds or Junior Obligations in accordance with Section 16(b) (*Issuance of Future Bonds*).

"**Servicer**" means such entity or entities as the TIFIA Lender shall designate from time to time to perform, or assist the TIFIA Lender in performing, certain duties hereunder.

"**SIFMA Swap Index**" means, with respect to any relevant date of determination, The Securities Industry and Financial Markets Association ("**SIFMA**") Municipal Swap Index as published on such date or, if not published on such date, then as published as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by SIFMA; provided, however, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Swap Index" shall mean such other reasonably comparable index selected by the Borrower, in consultation with the TIFIA Lender, for tax-exempt state and local government bonds meeting the then current SIFMA criteria.

"**ST2 Capital Program**" means the Sound Transit 2 plan passed by the applicable voters of the State on November 4, 2008, which program provides for, among other things, the capital expenditures for the Borrower over a period of fifteen (15) years and funded, in part or in whole, by the Local Option Taxes.

"**ST3 Capital Program**" means the Sound Transit 3 Plan passed by the applicable voters of the State on November 8, 2016, which program provides for, among other things, the capital expenditures for the Borrower over a period of 24 years and is funded, in part or in whole, by Total Available Taxes.

"**State**" means the State of Washington.

"**Substantial Completion**" means the opening of the Project to general passenger traffic for public transportation.

"**Substantial Completion Date**" means the date on which Substantial Completion occurs.

"**Sufficiency Test**" means, as of any date of calculation, that the ratio of: (a) Pledged Taxes received during the applicable Base Period to (b) Maximum Annual Bond Debt Service on all Bonds and other Senior Obligations that will mature or come due in the current or any future Borrower Fiscal Year, assuming that the TIFIA Loan and the Other TIFIA Bonds are fully drawn by the Borrower and that any other Bonds then projected to be issued in accordance with the current Financial Plan have been issued by the Borrower, is not less than 1.50 to 1.00.

"**System**" means the public transportation system of the Borrower.

"**Tax Code**" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute of similar import, and the regulations promulgated thereunder.

"**Tax Revenue Forecast**" means a written report by an independent professional economist broadly experienced in economic forecasting in the State, and reasonably satisfactory to the TIFIA Lender, setting forth projections of Pledged Taxes to be received by the Borrower for the period through and including the last Borrower Fiscal Year that the TIFIA Bond and the Other TIFIA Bonds are or will be outstanding.

"**Tax Stabilization Subaccount**" means the subaccount authorized to be created by the TIFIA Refinancing Resolution in the Local Option Tax Accounts.

"**TIFIA Bond**" means the bond delivered to the TIFIA Lender by the Borrower in substantially the form of **Exhibit A** (*Form of TIFIA Bond*), which TIFIA Bond shall be a Second Tier Junior Obligation under the TIFIA Refinancing Resolution authorizing such TIFIA Bond.

"**TIFIA Debt Service**" means with respect to any Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding TIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower) at the TIFIA Interest Rate (or, as applicable, the Default Rate), in each case, (a) as set forth on **Exhibit F** (*TIFIA Debt Service*) and (b) due and payable on such Semi-Annual Payment Date in accordance with the provisions of Section 9(c) (*Payment of TIFIA Debt Service*) or Section 9(d) (*Fixed Level Payment*), as applicable.

"**TIFIA Debt Service Account**" means the special account of the Borrower created pursuant to the TIFIA Refinancing Resolution for the purpose of paying TIFIA Debt Service on the TIFIA Bond.

"**TIFIA DRLE Bond**" means the bond delivered to the TIFIA Lender by the Borrower in connection with the TIFIA DRLE Loan Agreement.

"**TIFIA DRLE Resolution**" means Resolution No. R2021-03, adopted by the Board on June 24, 2021, which authorizes the Borrower to enter into the TIFIA DRLE Loan Agreement and approves and authorizes the execution, delivery and sale of the TIFIA DRLE Bond to the TIFIA Lender.

"**TIFIA DRLE Loan**" means the loan, in an amount not to exceed $520,981,378, extended by the TIFIA Lender to the Borrower under, and in accordance with the terms of, the TIFIA DRLE Loan Agreement.

"**TIFIA DRLE Loan Agreement**" means that certain TIFIA Loan Agreement, dated as of September 10, 2021, pursuant to which the TIFIA Lender agreed to extend a loan to the Borrower in an amount not to exceed $520,981,378 to finance a portion of the Eligible Project Costs (as defined in the TIFIA DRLE Loan Agreement) related to the Borrower's Project (as defined in the TIFIA DRLE Loan Agreement).

"**TIFIA DRLE Loan Documents**" means the TIFIA DRLE Loan Agreement, the TIFIA DRLE Bond, the TIFIA DRLE Bond Resolution and any and all other agreements, instruments, governmental approvals or other documents evidencing, securing, governing or otherwise executed in connection with and affecting in any material respect the TIFIA DRLE Loan or the TIFIA DRLE Bond, including all amendments and/or restatements of the foregoing.

"**TIFIA East Link Bond**" means the bond delivered to the TIFIA Lender by the Borrower in connection with the TIFIA East Link Loan Agreement.

"**TIFIA East Link Loan**" means the loan, in an amount not to exceed $1,330,000,000, extended by the TIFIA Lender to the Borrower under, and in accordance with the terms of, the TIFIA East Link Loan Agreement.

"**TIFIA East Link Loan Agreement**" means that certain TIFIA Loan Agreement, dated as of September 10, 2021, pursuant to which the TIFIA Lender agreed to extend a loan to the Borrower in an amount not to exceed $1,330,000,000 to finance a portion of the Eligible Project Costs (as defined in the TIFIA East Link Loan Agreement) related to the Borrower's Project (as defined in the TIFIA East Link Loan Agreement).

"**TIFIA East Link Loan Documents**" means the TIFIA East Link Loan Agreement, the TIFIA East Link Bond, the TIFIA Refinancing Resolution and any and all other agreements, instruments, governmental approvals or other documents evidencing, securing, governing or otherwise executed in connection with and affecting in any material respect the TIFIA East Link Loan or the TIFIA East Link Bond, including all amendments and/or restatements of the foregoing.

"**TIFIA Interest Rate**" has the meaning provided in Section 6 (*Interest Rate*).

"**TIFIA Lender**" has the meaning provided in the preamble hereto.

"**TIFIA Lender's Authorized Representative**" means the Executive Director and any other Person who shall be designated as such pursuant to Section 26 (*TIFIA Lender's Authorized Representative*).

"**TIFIA Lien**" means the right, pledge, charge, preference and priority with respect to Pledged Taxes granted by the Borrower under the TIFIA Refinancing Resolution to secure the TIFIA Bond and the TIFIA Loan and created without physical delivery, filing or any other act.

"**TIFIA Loan**" means the secured loan made by the TIFIA Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed $629,472,431 (excluding capitalized interest), to be used in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower.

"**TIFIA Loan Documents**" means this Agreement, the TIFIA Bond, the TIFIA Refinancing Resolution and any and all other agreements, instruments, governmental approvals or other documents evidencing, securing, governing or otherwise executed in connection with and affecting in any material respect the TIFIA Loan or the TIFIA Bond, including all amendments and/or restatements of the foregoing.

"**TIFIA Lynnwood Link Bond**" means the bond delivered to the TIFIA Lender by the Borrower in connection with the TIFIA Lynnwood Link Loan Agreement.

"**TIFIA Lynnwood Link Loan**" means the loan, in an amount not to exceed $657,863,164, extended by the TIFIA Lender to the Borrower under, and in accordance with the terms of, the TIFIA Lynnwood Link Loan Agreement.

"**TIFIA Lynnwood Link Loan Agreement**" means that certain TIFIA Loan Agreement, dated as of September 10, 2021, pursuant to which the TIFIA Lender agreed to extend a loan to the Borrower in an amount not to exceed $657,863,164 to finance a portion of the Eligible Project Costs (as defined in the TIFIA Lynnwood Link Loan Agreement) related to the Borrower's Project (as defined in the TIFIA Lynnwood Link Loan Agreement).

"**TIFIA Lynnwood Link Loan Documents**" means the TIFIA Lynnwood Link Loan Agreement, the TIFIA Lynnwood Link Bond, the TIFIA Refinancing Resolution and any and all other agreements, instruments, governmental approvals or other documents evidencing, securing, governing or otherwise executed in connection with and affecting in any material respect the TIFIA Lynnwood Link Loan or the TIFIA Lynnwood Link Bond, including all amendments and/or restatements of the foregoing.

"**TIFIA Northgate Link Bond**" means the bond delivered to the TIFIA Lender by the Borrower in connection with the TIFIA Northgate Link Loan Agreement.

"**TIFIA Northgate Link Loan**" means the loan, in an amount not to exceed $615,267,000, extended by the TIFIA Lender to the Borrower under, and in accordance with the terms of, the TIFIA Northgate Link Loan Agreement.

"**TIFIA Northgate Link Loan Agreement**" means that certain TIFIA Loan Agreement, dated as of September 10, 2021, pursuant to which the TIFIA Lender agreed to extend a loan to the Borrower in an amount not to exceed $615,267,000 to finance a portion of the Eligible Project Costs (as defined in the TIFIA Northgate Link Loan Agreement) related to the Borrower's Project (as defined in the TIFIA Northgate Link Loan Agreement.

"**TIFIA Northgate Link Loan Documents**" means the TIFIA Northgate Link Loan Agreement, the TIFIA Northgate Link Bond, TIFIA Refinancing Resolution and any and all other agreements, instruments, governmental approvals or other documents evidencing, securing, governing or otherwise executed in connection with and affecting in any material respect the TIFIA Northgate Link Loan or the TIFIA Northgate Link Bond, including all amendments and/or restatements of the foregoing.

"**TIFIA O&M Facility East Bond**" means the bond delivered to the TIFIA Lender by the Borrower in connection with the TIFIA O&M Facility East Loan Agreement.

"**TIFIA O&M Facility East Loan**" means the loan, in an amount not to exceed $87,663,515, extended by the TIFIA Lender to the Borrower under, and in accordance with the terms of, the TIFIA O&M Facility East Loan Agreement.

"**TIFIA O&M Facility East Loan Agreement**" means that certain TIFIA Loan Agreement, dated as of September 10, 2021, pursuant to which the TIFIA Lender agreed to extend a loan to the Borrower in an amount not to exceed $87,663,515 to finance a portion of the Eligible Project Costs (as defined in the TIFIA O&M Facility East Loan Agreement) related to the Borrower's Project (as defined in the TIFIA O&M Facility East Loan Agreement).

"**TIFIA O&M Facility East Loan Documents**" means the TIFIA O&M Facility East Loan Agreement, the TIFIA O&M Facility East Bond, TIFIA Refinancing Resolution and any and all other agreements, instruments, governmental approvals or other documents evidencing, securing, governing or otherwise executed in connection with and affecting in any material respect the TIFIA O&M Facility East Loan or the TIFIA O&M Facility East Bond, including all amendments and/or restatements of the foregoing.

"**TIFIA Refinancing Resolution**" means Resolution No. R2021-04, adopted by the Board on June 24, 2021, which authorizes the Borrower to enter into this Agreement and the other loan agreements referenced therein and approves and authorizes the execution, delivery and sale of the TIFIA Bond and the other bonds referenced therein to the TIFIA Lender.

"**TIFIA Reserve Account**" means the special account of the Borrower created by the TIFIA Refinancing Resolution for the sole benefit of the TIFIA Lender in connection with the TIFIA Bond and the Other TIFIA Bonds.

"**TIFIA Reserve Account Requirement**" means, as of the date of calculation, an amount equal to 50% of the Maximum Annual Bond Debt Service on the TIFIA Bond and the Other TIFIA Bonds (assuming that all of the TIFIA Loan and the Other TIFIA Bonds

are fully drawn by the Borrower) that will become due in the current or any future Borrower Fiscal Year.

"**TIFIA Reserve Event**" means, on any Ratio Calculation Date, that the Debt Service Coverage Ratio for the immediately preceding Calculation Period falls below 1.50 to 1.00.

"**Total Available Taxes**" means all taxes that are authorized to be levied from time to time by the Borrower, including, but not limited to, Local Option Taxes and Pledged Taxes.

"**Total Debt Service**" means, for any Calculation Period, the aggregate amount of total debt service shown in the Borrower's Financial Statements or in the current Financial Plan, as applicable, paid or payable by the Borrower in respect of the Senior Obligations, the Second Tier Junior Obligations (including the TIFIA Loan and the Other TIFIA Bonds) and any other debt obligations of the Borrower in the relevant Calculation Period.

"**Total Project Costs**" means (a) the costs paid or incurred or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping, testing and start-up of the Project, including legal, administrative, engineering, planning, design, insurance and cost of issuance; (b) amounts, if any, required by the TIFIA Loan Documents to be paid into any fund or account upon the incurrence of the TIFIA Loan; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period on any indebtedness of the Borrower (other than the TIFIA Loan) incurred for the Project, including capitalized interest on commercial paper used for interim financing; (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower; and (e) without duplication of any amounts specified in clauses (a) through (d) above, the repayment of obligations incurred by the Borrower, the proceeds of which obligations were used to pay items (a) through (d) of this definition.

"**Total Revenues**" means all cash revenues and all money secured or collected for the benefit of and received by or on behalf of the Borrower, including Total Available Taxes, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by law, ordinance or order.

"**Uncontrollable Force**" means any cause beyond the control of the Borrower, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the

Borrower does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code, as in effect from time to time in the State.

"**Updated Base Case Financial Model**" means, as of any date of determination, the Base Case Financial Model then in effect, updated from time to time in accordance with this Agreement, forecasting the cash flows and the availability of Pledged Taxes for time periods from such date through the Final Maturity Date for the TIFIA Loan and based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender, which financial model shall be substantially in the form of the Initial Base Case Financial Model and provided to the TIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format requested by the TIFIA Lender.

"**USDOT**" means the United States Department of Transportation.

"**Variable Rate**" means a variable interest rate or rates to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds, as such variable interest rate is determined in accordance with Section 15(n)(iii) (*Hedging and Variable Rate Bonds*).

"**Variable Rate Bonds**" means Bonds that bear interest at a Variable Rate; provided that, if the interest rate on a Variable Rate Bond is fixed to maturity, such Bond shall no longer be a Variable Rate Bond.

SECTION 2. Interpretation. Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Whenever the Borrower's knowledge is implicated in this Agreement or the phrase "to the Borrower's knowledge" or a similar phrase is used in this Agreement, the "Borrower's knowledge" or such phrase(s) shall be interpreted to mean to the best of the Borrower's knowledge after reasonable and diligent inquiry and investigation. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns. Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement. The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as its table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements

to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 36 (*Notices; Payment Instructions*) and signed by a duly authorized representative of such party.

SECTION 3. TIFIA Loan Amount. The principal amount of the TIFIA Loan shall not exceed $629,472,431 (excluding capitalized interest). TIFIA Loan proceeds shall be disbursed from time to time in accordance with Section 4 (*Disbursement Conditions*) and Section 12(b) (*Conditions Precedent to All Disbursements*).

SECTION 4. Disbursement Conditions.

(a) TIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs, which costs have been previously paid or incurred by or on behalf of the Borrower in connection with the Project. If the Borrower intends to utilize the TIFIA Loan proceeds to make progress payments for the Project construction work performed under any Construction Contract, the Borrower shall demonstrate to the satisfaction of the TIFIA Lender that such progress payments are commensurate with the value of the work that has been completed. Each disbursement of the TIFIA Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in Appendix One to **Exhibit D** (*Requisition Procedures*), along with all documentation and other information required thereby, submitted by the Borrower to the TIFIA Lender, all in accordance with the procedures of **Exhibit D** (*Requisition Procedures*) and subject to the requirements of this Section 4 (*Disbursement Conditions*) and Section 12(b) (*Conditions Precedent to All Disbursements*); provided, however, that no disbursements of TIFIA Loan proceeds shall be made on or after the date that is one (1) year after the Substantial Completion Date.

(b) The Borrower shall deliver copies of each Requisition to the TIFIA Lender, the Servicer, if applicable, and the FTA Regional Office on or before the first (1st) Business Day of each month for which a disbursement is requested. Subject to Section 4(f) (*Disbursement Conditions*), if the TIFIA Lender does not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15th) day is not a Business Day. Express denial of a Requisition by the TIFIA Lender shall be provided substantially in the form attached as Appendix Two to **Exhibit D** (*Requisition Procedures*). In no event shall disbursements be made more than once each month.

(c) The Borrower may amend the Anticipated TIFIA Loan Disbursement Schedule (but may not increase the cumulative amount of the TIFIA Loan reflected therein) by submitting a revised version thereof to the TIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions.

(d) As a condition to each disbursement of the TIFIA Loan, the Borrower shall have provided to the TIFIA Lender evidence satisfactory to the TIFIA Lender that, prior thereto

or simultaneously therewith, a disbursement of other non-federal funds has occurred such that as of any such TIFIA Loan disbursement, the aggregate amount of all disbursements of the TIFIA Loan (including the requested disbursement but excluding any interest capitalized in accordance with the terms hereof) shall not exceed 33% of the total amount of reasonably anticipated Eligible Project Costs.

(e) If the Borrower intends to utilize the TIFIA Loan proceeds to repay or refinance any interim construction financing, the Borrower agrees that it shall deliver a copy of such Requisition reasonably in advance of the requested date of disbursement; provided however, that such Requisition otherwise shall also satisfy the requirements of this Section 4 (*Disbursement Conditions*) and shall be in accordance with the procedures of **Exhibit D** (*Requisition Procedures*).

(f) Notwithstanding anything to the contrary set forth in this Agreement (including this Section 4 (*Disbursement Conditions*), Section 12 (*Conditions Precedent*) or **Exhibit D** (*Requisition Procedures*)), in no event shall the TIFIA Lender have any obligation to make any disbursement of proceeds of the TIFIA Loan to the Borrower if the TIFIA Lender's ability to make such disbursement is impaired as a result of a partial or total shutdown of the operations of any federal department or agency (including USDOT or any of its agencies), or any contractor of any such department or agency, due to a lapse in appropriations by Congress.

SECTION 5. Term. The term of the TIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash.

SECTION 6. Interest Rate. The interest rate with respect to the Outstanding TIFIA Loan Balance (the "**TIFIA Interest Rate**") shall be one and ninety-one hundredths percent (1.91%) per annum. Interest will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest) from time to time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed; provided, however, in the event of a Payment Default, the Borrower shall pay interest on the Outstanding TIFIA Loan Balance and on any interest accrued thereon but unpaid as of the applicable Semi-Annual Payment Date (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower) at the Default Rate from (and including) its due date to (but excluding) the date of actual payment. Upon the occurrence of any other Event of Default, the Borrower shall pay interest on the Outstanding TIFIA Loan Balance and on any interest accrued thereon but unpaid as of the applicable Semi-Annual Payment Date (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower) at the Default Rate from (and including) the date such Event of Default first occurred to (but excluding) the earlier to occur of (a) the date such Event of Default has been waived by the TIFIA Lender and (b) the date the Outstanding TIFIA Loan Balance and any interest accrued thereon (at the Default Rate) but unpaid has been irrevocably paid in full in cash.

SECTION 7. Outstanding TIFIA Loan Balance and Revisions to Exhibit F and the Loan Amortization Schedule.

(a) The Outstanding TIFIA Loan Balance will be (i) increased on each occasion on which the TIFIA Lender disburses loan proceeds hereunder, by the amount of such disbursement of loan proceeds; (ii) increased on each occasion on which interest on the TIFIA Loan is capitalized pursuant to the provisions of Section 9(b) (*Capitalized Interest Period*), by the amount of interest so capitalized; and (iii) decreased upon each payment or prepayment of the Outstanding TIFIA Loan Balance, by the amount of principal so paid. The TIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding TIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error.

(b) The TIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit F** (*TIFIA Debt Service*) from time to time, in accordance with the principles set forth below in this clause (b), to reflect (i) any change to the Outstanding TIFIA Loan Balance; (ii) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement; and (iii) such other information as the TIFIA Lender may determine is necessary for administering the TIFIA Loan and this Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any partial prepayments of the Outstanding TIFIA Loan Balance pursuant to Section 10 (*Prepayment*) shall be applied in accordance with Section 10(d) (*General*). Any adjustments or revisions to the Loan Amortization Schedule as a result of changes in the Outstanding TIFIA Loan Balance, other than prepayments, shall be applied to reduce future payments due on the TIFIA Bond in inverse order of maturity. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit F** (*TIFIA Debt Service*) shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document. The TIFIA Lender shall provide the Borrower with a copy of **Exhibit F** (*TIFIA Debt Service*) as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents.

SECTION 8. Security and Priority; Flow of Funds.

(a) As security for the TIFIA Loan, the Borrower shall pledge, assign and grant, or shall cause to be pledged, assigned and granted, to the TIFIA Lender, (i) the TIFIA Lien and (ii) the TIFIA Debt Service Account, the TIFIA Reserve Account, the Revenue Sharing Account and the Construction Account, in each case, in accordance with the provisions of the TIFIA Refinancing Resolution. The TIFIA Loan shall be secured by the TIFIA Lien with respect to the Pledged Taxes and shall be subordinate to the pledge of the Pledged Taxes to secure the Senior Obligations.

(b) Except (i) for Permitted Liens or (ii) as may be entitled to priority as a matter of law, the Pledged Taxes will be free and clear of any Lien thereon or with respect thereto, and all corporate action on the part of the Borrower to that end has been duly and validly taken. Except as may be entitled to priority as a matter of law, the TIFIA Debt Service Account, the TIFIA Reserve Account, the Revenue Sharing Account and the Construction Account shall be free and

clear of any Lien thereon or with respect thereto, and all corporate action on the part of the Borrower to that end has been duly and validly taken.

(c) The Borrower shall not use Pledged Taxes to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 8 (*Security and Priority; Flow of Funds*) and the TIFIA Refinancing Resolution and shall not apply any portion of the Pledged Taxes in contravention of this Agreement, the TIFIA Refinancing Resolution or any other TIFIA Loan Document.

(d) The TIFIA Refinancing Resolution provides that all Pledged Taxes shall, subject to the Bond Documents, be deposited in the Local Option Tax Accounts or Additional Taxes Accounts and applied in the following order of priority and for the following purposes, as more fully described, and in accordance with the requirements specified in the TIFIA Refinancing Resolution:

First, to make all payments required to be made into the Prior Bond Account in the following order:

(i) to pay the interest when due on the Prior Bonds (including regularly scheduled payments under any Qualified Hedge for the Prior Bonds); and

(ii) to pay maturing principal (including sinking fund redemptions) of the Prior Bonds;

Second, to make all payments required to be made into the Prior Reserve Account by the Prior Bond Resolution to meet the Prior Reserve Account Requirement and to make all payments required to be made pursuant to a reimbursement obligation in connection with a qualified letter of credit or qualified insurance with respect to the Prior Reserve Account Requirement; provided that, if there is not sufficient money to make all payments under all such reimbursement agreements, the payments will be made to the providers on a pro rata basis;

Third, to make all payments required to be made into the Parity Bond Account in the following order:

(i) to pay the interest when due on Parity Bonds (including regularly scheduled payment obligations under any Qualified Hedge for the Parity Bonds);

(ii) to pay the maturing principal (including sinking fund redemptions) of Parity Bonds; and

(iii) to reimburse the provider of any Credit Facility (other than a Credit Facility obtained to satisfy all or a part of the Parity Reserve Account Requirement, and other than the provider of a Liquidity Facility), if any, for payments of the principal and/or interest on Parity Bonds; provided that, if there is not sufficient money to make all payments under all such reimbursement agreements, the payments will be made to the providers on a pro rata basis;

Fourth, to make all payments required to be made (i) into the Parity Reserve Account under any Series Resolution authorizing the issuance of Parity Bonds that are Covered Parity Bonds to meet the Parity Reserve Account Requirement for Covered Parity Bonds and (ii) into a separate reserve account or into a subaccount within the Parity Reserve Account established in a Series Resolution for one or more Series of Parity Bonds that are not Covered Parity Bonds; and to make all payments required to be made pursuant to a reimbursement obligation in connection with a Credit Facility, if any, with respect to the Parity Reserve Account Requirement; provided that, if there is not sufficient money to make all payments under all such Parity Bond reserve reimbursement agreements, the payments will be made to the providers on a pro rata basis;

Fifth, to make all of the following required payments in the following order:

(i) to pay the interest when due on First Tier Junior Obligations (including regularly scheduled payment obligations under any Qualified Hedge for the First Tier Junior Obligations);

(ii) to pay the maturing principal (including sinking fund redemptions) of First Tier Junior Obligations; and

(iii) to reimburse the provider of any Credit Facility (other than a Credit Facility obtained to satisfy all or a part of any reserve account requirement for First Tier Junior Obligations, and other than the provider of a Liquidity Facility), if any, for payments of the principal and/or interest on First Tier Junior Obligations; provided that, if there is not sufficient money to make all payments under all such reimbursement agreements, the payments will be made to the providers on a pro rata basis;

Sixth, to make all payments required to be made (i) to meet any reserve account requirement for First Tier Junior Obligations and (ii) pursuant to a reimbursement obligation in connection with a Credit Facility, if any, with respect to such reserve account requirement; provided that, if there is not sufficient money to make all payments under all such reserve account reimbursement agreements, the payments will be made to the providers on a pro rata basis;

Seventh, to make all of the following required payments in the following order:

(i) to pay the interest when due on the TIFIA Bond, the Other TIFIA Bonds and any other Second Tier Junior Obligations (including regularly scheduled payment obligations under any Qualified Hedge for the Second Tier Junior Obligations);

(ii) to pay the maturing principal (including sinking fund redemptions) of the TIFIA Bond, the Other TIFIA Bonds and any other Second Tier Junior Obligations; and

(iii) to reimburse the provider of any Credit Facility (other than a Credit Facility obtained to satisfy all or a part of any reserve account requirement for Second Tier Junior Obligations, and other than the provider of a Liquidity Facility), if any, for payments of the principal and/or interest on Second Tier Junior Obligations; provided that, if there is

not sufficient money to make all payments under all such reimbursement agreements, the payments will be made to the providers on a pro rata basis;

Eighth, to make all payments required to be made to meet any reserve account requirement for Second Tier Junior Obligations (including the payments required to be made into the TIFIA Reserve Account pursuant to Section 15(k) (*Funds and Accounts*) of this Agreement to meet the TIFIA Reserve Account Requirement) and to make all payments required to be made pursuant to a reimbursement obligation in connection with a Credit Facility, if any, with respect to such reserve requirement; provided that, if there is not sufficient money to make all payments under all such reserve account reimbursement agreements, the payments will be made on a pro rata basis;

Ninth, to the payment of fees, administrative costs and other expenses of the TIFIA Lender;

Tenth, to pay costs of operating and maintaining the Borrower and its System, including all of its public transportation facilities and assets, in a state of good repair;

Eleventh, to fund any termination payment in connection with a Qualified Hedge, to the extent permitted by this Agreement, the other TIFIA Loan Documents and the Existing TIFIA Loan Documents;

Twelfth, upon the occurrence and continuation of a Revenue Sharing Trigger Event, an amount equal to the Excess Taxes for such month, for deposit into the Revenue Sharing Account; and

Thirteenth, for any lawful purposes of the Borrower; provided that the Borrower may determine that items in this "Thirteenth" category shall be paid in a specified order of priority.

Additional Taxes deposited in Additional Taxes Accounts shall be used by the Borrower for the purposes and in the order of priority set forth above, beginning with the paragraph "Third."

(e) The TIFIA Refinancing Resolution provides that the Borrower may create a Tax Stabilization Subaccount in the Local Option Tax Accounts and deposit Pledged Taxes collected in any Borrower Fiscal Year into such Tax Stabilization Subaccount or withdraw Pledged Taxes deposited therein from such Tax Stabilization Subaccount and use amounts in such Tax Stabilization Subaccount for any lawful purposes in accordance with the flow of funds set forth above, subject to the requirements set forth in the Prior Bond Resolution and the Parity Bond Resolutions. For the purpose of calculating the Revenue Coverage Ratio only, deposits into and withdrawals from the Tax Stabilization Subaccount shall reduce or increase, respectively, the Pledged Taxes for the Base Period, Calculation Period, calendar year, Projected Period or Borrower Fiscal Year in which such deposits or withdrawals are made or projected to be made. Any withdrawals from such Tax Stabilization Subaccount shall be applied, together with other Pledged Taxes then available, in accordance with paragraphs "First" through "Twelfth" above.

SECTION 9. Payment of Principal and Interest.

(a) Payment Dates. The Borrower agrees to pay the principal of and interest on the TIFIA Loan by making payments in accordance with the provisions of this Agreement and the other TIFIA Loan Documents on each Semi-Annual Payment Date, beginning on the Debt Service Payment Commencement Date, and on each other date (including the Final Maturity Date) on which payment thereof is required to be made hereunder. For the avoidance of doubt, upon the occurrence of a Bankruptcy Related Event, interest on the TIFIA Loan shall no longer be capitalized and shall be due and payable in cash. Any payment in respect of the TIFIA Bond shall be treated as a payment in respect of the TIFIA Loan and any prepayment of principal in respect of the TIFIA Loan shall be treated as a redemption in respect of the TIFIA Bond.

(b) Capitalized Interest Period. No payment of the principal of or interest on the TIFIA Loan is required to be made during the Capitalized Interest Period. On each May 1 and November 1 occurring during the Capitalized Interest Period (and on the Semi-Annual Payment Date immediately following the end of the Capitalized Interest Period), interest accrued on the TIFIA Loan in the six (6)-month period ending immediately prior to such date shall be capitalized and added to the Outstanding TIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the TIFIA Lender shall give written notice to the Borrower stating the Outstanding TIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other TIFIA Loan Documents.

(c) Payment of TIFIA Debt Service.

(i) On each Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date and prior to the Level Payment Commencement Date, the Borrower shall pay TIFIA Debt Service in the amounts set forth in respect of such Semi-Annual Payment Date on **Exhibit F** (*TIFIA Debt Service*) hereto, as the same may be revised as provided in Section 7 (*Outstanding TIFIA Loan Balance and Revisions to Exhibit F and the Loan Amortization Schedule*), which payments shall be made in accordance with Section 9(e) (*Manner of Payment*). For the avoidance of doubt, each of the Semi-Annual Payment Dates set forth in **Exhibit F** (*TIFIA Debt Service*) shall be adjusted automatically to the extent the actual first Semi-Annual Payment Date to occur on or after the Debt Service Commencement Date is earlier than the date set forth in **Exhibit F** (*TIFIA Debt Service*).

(ii) On each Semi-Annual Payment Date occurring on or after the Level Payment Commencement Date, the Borrower shall pay TIFIA Debt Service in the amount of one hundred percent (100%) of the Fixed Level Payment, which payments shall be made in accordance with Section 9(d) (*Fixed Level Payment*) and Section 9(e) (*Manner of Payment*).

(d) Fixed Level Payment. On each Semi-Annual Payment Date occurring during the Level Payment Period, the Borrower shall make level payments of principal and interest (each a "**Fixed Level Payment**"), each of which payments shall be approximately equal in amount.

The amount of the Fixed Level Payment shall be calculated in such a manner that the Outstanding TIFIA Loan Balance as of the Level Payment Commencement Date shall be reduced to $0 on the Final Maturity Date (assuming that interest accrues during such period on the Outstanding TIFIA Loan Balance at the rate per annum set forth in Section 6 (*Interest Rate*) in the absence of an Event of Default, that all Fixed Level Payments are made in a timely manner during such period, and that no additional payments of principal of or interest on the TIFIA Loan are made during such period). Within thirty (30) days prior to the beginning of the Level Payment Period, the TIFIA Lender may (or, at the written request of the Borrower, shall) give written notice to the Borrower of the amount of the related Fixed Level Payment, which amount shall be deemed conclusive absent manifest error, but no failure to provide or delay in providing the Borrower with such notice shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. To the extent that any prepayments of the TIFIA Loan shall be made prior to the Level Payment Commencement Date, the amount of such prepayment shall be applied to reduce the Outstanding TIFIA Loan Balance as of the Level Payment Commencement Date. To the extent any prepayments (in addition to the Fixed Level Payments) are made on or after the Level Payment Commencement Date, the amount of such prepayment shall be applied to the then applicable remaining Outstanding TIFIA Loan Balance. After application of such prepayment, the Fixed Level Payments shall be recalculated, taking into account such reduced Outstanding TIFIA Loan Balance as provided in this Section 9(d) (*Fixed Level Payment*) and **Exhibit F** (*TIFIA Debt Service*) shall be revised to reflect such recalculated Fixed Level Payments; provided, however, that neither the failure to make any such revision nor any error in re-calculating the Fixed Level Payments shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document.

(e) Manner of Payment. Payments under this Agreement and the TIFIA Bond shall be made by wire transfer on or before each Semi-Annual Payment Date in immediately available funds in accordance with payment instructions provided by the TIFIA Lender's Authorized Representative pursuant to Section 26 (*TIFIA Lender's Authorized Representative*), as modified in writing from time to time by the TIFIA Lender's Authorized Representative. The Borrower may make, or cause to be made, any such payment (or portion thereof) with funds then on deposit in the TIFIA Debt Service Account.

(f) Final Maturity Date. Notwithstanding anything herein or any other TIFIA Loan Document to the contrary, the Outstanding TIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date.

(g) TIFIA Bond. As evidence of the Borrower's obligation to repay the TIFIA Loan, the Borrower shall issue and deliver to the TIFIA Lender, on or prior to the Effective Date, the TIFIA Bond substantially in the form of **Exhibit A** (*Form of TIFIA Bond*), having a maximum principal amount (excluding capitalized interest) of $629,472,431 (subject to increase or decrease as herein provided) and bearing interest at the rate set forth in Section 6 (*Interest Rate*).

(h) Payments Due on Non-Business Days. In any case where any payment date under this Agreement or under the TIFIA Bond is a day which is not a Business Day, then payment of such amount shall be made on the next succeeding Business Day with the same force and effect as if made on the date when such payment was due.

SECTION 10. Prepayment.

(a) Mandatory Prepayments. (i) Following the occurrence of a Revenue Sharing Trigger Event, on each Semi-Annual Payment Date while the Revenue Sharing Trigger Event remains in effect, the Borrower shall prepay the TIFIA Loan, in whole or in part, without penalty or premium, from amounts then on deposit in the Revenue Sharing Account. Prepayment of the TIFIA Loan shall be made on a pro rata basis with the Other TIFIA Bonds then outstanding, in each case, based on the then outstanding amount of such Bonds. The Borrower shall provide written notice to the TIFIA Lender at least two (2) Business Days prior to the date on which it makes any mandatory prepayment; provided that the Borrower's failure to deliver such notice shall not diminish, impair or otherwise affect the Borrower's obligation to make any such mandatory prepayment as and when the circumstances requiring such mandatory prepayment to be made have occurred. Each prepayment pursuant to this clause (a) shall be accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(ii) The Borrower shall prepay the TIFIA Loan in full upon the prepayment in full, for any reason, of the TIFIA Lynnwood Link Loan with respect to the Lynnwood Link Extension Project. The prepayment of the TIFIA Loan pursuant to this Section 9(a)(ii) shall (A) be made in immediately available funds concurrently with the prepayment of the TIFIA Lynnwood Link Loan and (B) include payment of all accrued and unpaid interest on the Outstanding TIFIA Loan Balance to the date of prepayment and all outstanding fees and expenses hereunder. The Borrower shall provide written notice to the TIFIA Lender at least two (2) Business Days prior to the date on which it makes any mandatory prepayment under this Section 9(a)(ii); provided that the Borrower's failure to deliver such notice shall not diminish, impair or otherwise affect the Borrower's obligation to make any such mandatory prepayment as and when the circumstances requiring such mandatory prepayment to be made have occurred.

(b) Optional Prepayments. The Borrower may prepay the TIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of at least $1,000,000) at any time or from time to time, without penalty or premium. Each prepayment of the TIFIA Loan shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the TIFIA Lender, which notice shall also specify the amount of unpaid interest accrued to the date of such prepayment on the amount of principal to be prepaid that the Borrower intends to pay concurrently with such prepayment, if any. In the case of any optional prepayment, such written notice shall be delivered to the TIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for such optional prepayment, unless otherwise agreed by the TIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the TIFIA Lender. Anything in this clause (b) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement or any TIFIA Loan Agreement.

(c) No Defeasance of TIFIA Bond. The Borrower shall not defease the TIFIA Bond without the prior written consent of the TIFIA Lender.

(d) General. Upon the TIFIA Lender's receipt of confirmation that payment in full of the entire Outstanding TIFIA Loan Balance, together with any unpaid interest and fees with respect thereto, has occurred as a result of a mandatory or optional prepayment, the TIFIA Lender shall surrender the TIFIA Bond to the Borrower or its representative at the principal office of the TIFIA Lender. If the Borrower prepays only part of the unpaid balance of principal of the TIFIA Bond, the TIFIA Lender may make a notation on **Exhibit F** (*TIFIA Debt Service*) indicating the amount of principal of and interest on the TIFIA Bond then being prepaid. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit F** (*TIFIA Debt Service*) shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document. To the extent any mandatory or voluntary prepayments of the TIFIA Loan are made prior to the Level Payment Commencement Date, the amount of such prepayment shall be applied to reduce the Outstanding TIFIA Loan Balance as of the Level Payment Commencement Date. The amount of any prepayment (in addition to the Fixed Level Payments) that is made on or after the Level Payment Commencement Date shall be applied to the then remaining Outstanding TIFIA Loan Balance, and the Fixed Level Payments shall be recalculated in accordance with in Section 9(d) (*Fixed Level Payment*). If said monies shall not have been so paid on the prepayment date, the principal amount of the TIFIA Bond shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

SECTION 11. Compliance with Laws. The Borrower shall, and shall require its contractors and subcontractors at all tiers for the Project to, comply in all material respects with all applicable federal and State laws, rules, regulations, executive and administrative decrees and orders, and orders and judgments of any court or arbitral panel, including all applicable federal and State laws, rules, regulations and executive orders in respect of the Project. The list of federal laws attached hereto as **Exhibit E** (*Compliance with Laws*) is illustrative of the type of requirements generally applicable to transportation projects and is not intended to be exhaustive. The FTA Regional Office has oversight responsibility for the Project, including ensuring compliance in all material respects with all applicable provisions of federal law and with the terms of the FTA Master Agreement, to the extent applicable. The Borrower and the TIFIA Lender mutually acknowledge that not every provision of the FTA Master Agreement will apply to the Project. The FTA Regional Office and the TIFIA Lender (a) will enforce only those federal laws, regulations, and guidance that apply to the Project and (b) will not enforce federal laws, regulations, and guidance that do not apply to the Project. Application of any reference within the FTA Master Agreement to the common grant rule (2 CFR Part 200) is limited to Subparts A, B, D, and F of the rule and 2 CFR Parts 1200 and 1201, which modify the rule as applied by the USDOT. FTA Master Agreement terms included in the "Generally Applicable Provisions" found at Sections 1 through 47 of the FTA Master Agreement may be applicable to the Project. "Special Provisions for the TIFIA Program" found at Section 46 of the FTA Master Agreement is applicable to the Project. The Borrower acknowledges and agrees that it has reviewed the FTA Master Agreement and shall comply as required thereby. The Borrower acknowledges and agrees that any costs incurred in connection with the Project prior to receipt of all necessary authorizations from the USDOT in respect of such costs (which may include approvals of prior-incurred costs)

are incurred solely at the Borrower's risk and expense, will not constitute Eligible Project Costs, and no TIFIA Loan proceeds will be disbursed in respect thereof.

SECTION 12. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent shall have been satisfied or waived in writing by the TIFIA Lender:

(i) The Borrower shall have delivered to the TIFIA Lender (A) a duly executed counterpart to this Agreement and a duly executed TIFIA Bond, (B) a certified, true, accurate and complete copy of the TIFIA Refinancing Resolution authorizing the Borrower (1) to pledge the Pledged Taxes for the benefit of the TIFIA Lender as security for the TIFIA Loan, (2) to issue the TIFIA Bond and (3) to execute and deliver, and to perform its obligations under, the TIFIA Loan Documents, and the TIFIA Refinancing Resolution has not been subsequently modified, rescinded or amended and is in full force and effect in the form adopted, and (C) to the extent not previously delivered to the TIFIA Lender, a certified true, accurate and complete copy of each other Bond Document that has been entered into on or prior to the Effective Date, in the case of each of clauses (A) through (C) above, fully executed and in form and substance satisfactory to the TIFIA Lender.

(ii) Counsel to the Borrower shall have rendered to the TIFIA Lender legal opinions satisfactory to the TIFIA Lender in its sole discretion that include those opinions set forth on **Exhibit G** (*Opinions Required from Counsel to Borrower*).

(iii) The Borrower shall have provided a certificate executed by the Borrower's Authorized Representative certifying as to the absence of debarment, suspension or voluntary exclusion from participation in Federal Government contracts, procurement and non-procurement matters substantially in the form attached hereto as **Exhibit C** (*Non-Debarment Certification*) with respect to the Borrower and its principals (as defined in 2 CFR § 180.995).

(iv) The Borrower shall have provided to the TIFIA Lender satisfactory evidence that the Project has been included in (A) the metropolitan transportation improvement program adopted by the Puget Sound Regional Council, (B) the State transportation plan, and (C) the State transportation improvement program approved by the USDOT or its designated agencies, in each case to the extent required by 23 U.S.C. §§ 134 and 135, and 23 U.S.C. § 602(a)(3), as applicable. The financial plan for each such program or plan shall reflect the costs of, and the sources of funding for, the Project.

(v) The Borrower shall have provided evidence to the TIFIA Lender's satisfaction, no more than ninety (90), but no less than fourteen (14), days prior to the Effective Date (or such other period acceptable to the TIFIA Lender), of the assignment by at least two (2) Nationally Recognized Statistical Rating Organizations of a public rating of "A-" or "A3" (or the equivalent thereto) or better to the TIFIA Loan and to each Senior Obligation then outstanding, and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(vi) The Borrower shall have delivered to the TIFIA Lender a master certificate from the Borrower's Authorized Representative in the form attached hereto as **Exhibit H** (*Form of Borrower's Officer's Certificate*) (A) as to the satisfaction of certain conditions precedent set forth in this Section 12(a) (*Conditions Precedent to Effectiveness*) as required by the TIFIA Lender, (B) designating the Borrower's Authorized Representative and (C) confirming such person's position and incumbency.

(vii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that as of the Effective Date the funds forecasted to be available in respect of the Project under the under the Initial Base Case Financial Model will be sufficient to pay Total Project Costs and other amounts necessary to achieve Substantial Completion.

(viii) The Borrower shall have provided to the TIFIA Lender certified, complete and fully executed copies of each Principal Project Contract, together with any amendments, waivers or modifications thereto, in each case, that has been entered into on or prior to the Effective Date. Each such Principal Project Contract shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(ix) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that it has obtained all Governmental Approvals necessary to commence construction of the Project and all such Governmental Approvals are final, nonappealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation).

(x) The Borrower shall have delivered to the TIFIA Lender a certified Initial Base Case Financial Model acceptable to the TIFIA Lender on or prior to the Effective Date demonstrating that the projected Pledged Taxes shall (A) be sufficient to meet the projected loan amortization schedule for the TIFIA Loan as set forth in such Initial Base Case Financial Model and (B) demonstrate, for each calendar year during the life of the TIFIA Loan, projected (1) Debt Service Coverage Ratios of at least 1.50 to 1.00 and (2) Revenue Coverage Ratios of at least 1.00 to 1.00.

(xi) The Borrower shall have paid all invoices delivered by the TIFIA Lender (or by advisors to the TIFIA Lender that have direct billing arrangements with the Borrower) to the Borrower prior to the Effective Date for the reasonable fees and expenses of the TIFIA Lender's counsel and advisors and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof (such reasonableness to be determined in accordance with Part 31 of the Federal Acquisition Regulation).

(xii) The Borrower shall have delivered to the TIFIA Lender true, accurate and complete copies of the NEPA Determination, and any supplements thereto. The NEPA Determination shall be in full force and effect and shall not have been withdrawn or materially amended.

(xiii) The TIFIA Lender shall have received evidence of compliance with 49 U.S.C. § 5333(b) and the regulations promulgated thereunder with respect to the Project

(such evidence being a certification letter from the Department of Labor acceptable to the FTA Regional Office).

(xiv) The Borrower shall have complied with all applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and 49 U.S.C. Chapter 53, and shall have provided evidence satisfactory to the TIFIA Lender of such compliance upon request by the TIFIA Lender.

(xv) The Borrower shall have provided evidence to the TIFIA Lender's satisfaction that it has met the conditions set forth in § 603(b)(6)(B) of the Act, including that, as of the Effective Date, (A) the Borrower is a public agency that is financing ongoing capital programs and has outstanding Senior Obligations under the Bond Documents, (B) the TIFIA Bond is rated in the "A" category or higher by a Nationally Recognized Statistical Rating Organization, and (C) the TIFIA Bond is secured and payable from Pledged Taxes, which are revenues not affected by Project performance.

(xvi) The TIFIA Lender shall have delivered its initial TIFIA Lender's Authorized Representative certificate.

(xvii) The Borrower shall have (A) obtained a Federal Employer Identification Number, (B) obtained a Data Universal Numbering System number or Unique Entity Identifier, as appropriate, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov).

(xviii) The Borrower shall have (A) delivered to the TIFIA Lender (1) certificates of insurance evidencing all insurance policies that the Borrower and each applicable Principal Project Party has obtained as required under the Bond Documents then in effect (including insurance required under Section 15(f) (*Insurance*)), and in the case of each general liability and excess liability insurance policy, reflecting the TIFIA Lender as an additional insured, and (2) at the TIFIA Lender's request, copies of such insurance policies; and (B) provided to the TIFIA Lender a certificate, executed by the Borrower's Authorized Representative, certifying that each of the insurance policies required to be obtained by the Borrower pursuant to Section 15(f) (*Insurance*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

(xix) The Borrower shall have provided to the TIFIA Lender evidence that it is duly organized and validly existing under the laws of its jurisdiction of formation, with full power, authority and legal right to own its properties and carry on its business and governmental functions as now conducted, including a copy of its Organizational Documents, as in effect on the Effective Date and certified, if applicable, by the Secretary of State of its jurisdiction of formation, which Organizational Documents shall have not been amended since the date of the last amendment thereto shown on the certificate, and any constitutional and statutory provisions included as part of such Organizational Documents shall remain in full force and effect, in each case certified by the Borrower's Authorized Representative.

(xx) The Borrower shall have provided the TIFIA Lender and the FTA Regional Office true, accurate and complete records of the Eligible Project Costs incurred to date for the Project, in form and substance satisfactory to the TIFIA Lender and the FTA Regional Office and in sufficient time prior to the Effective Date to permit the TIFIA Lender and the FTA Regional Office to review such costs.

(xxi) The Borrower shall have provided to the TIFIA Lender certified, complete and fully executed copies of each performance security instrument delivered to or by the Borrower pursuant to any applicable Principal Construction Contract then in effect as of the Effective Date, each of which performance security instruments shall be (A) in compliance with the requirements for such performance security pursuant to the applicable Principal Construction Contract and (B) in full force and effect.

(xxii) (A) No Event of Default or event of default under any other Related Document and (B) no event which with the giving of notice or the passage of time or both would constitute an Event of Default or event of default under any Related Document, in each case, shall have occurred and be continuing.

(xxiii) The representations and warranties of the Borrower set forth in this Agreement (including Section 13 (*Representations and Warranties of Borrower*)) and in each Related Document that has been entered into on or prior to the Effective Date shall be true and correct as of the Effective Date, except to the extent such representations and warranties expressly related to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(xxiv) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred since the date the Borrower submitted the Application to the TIFIA Lender.

(xxv) The Borrower shall have provided a certificate from the Borrower's Authorized Representative as to the prohibition on the use of appropriated funds for lobbying substantially in the form attached hereto as **Exhibit J** (*Certification Regarding the Prohibition on the Use of Appropriated Funds for Lobbying*) in accordance with 49 CFR §20.100(b).

(xxvi) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender.

(xxvii) The Borrower shall have provided the TIFIA Lender with evidence satisfactory to the TIFIA Lender that, as of the Effective Date, (A) the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower in connection with the Project, does not exceed thirty-three percent (33%) of reasonably anticipated Eligible Project Costs and (B) as required pursuant to § 603(b)(9) of the Act, the total federal assistance provided to the Project, including the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized

in accordance with the terms hereof), does not exceed eighty percent (80%) of Eligible Project Costs.

(xxviii)The Borrower shall have provided the TIFIA Lender certificates in a form reasonably acceptable to the TIFIA Lender certifying as to the matters in Section 16(b) (*Issuance of Future Bonds*) with respect to the TIFIA Bond.

(xxix) The Borrower shall have duly executed and delivered to the TIFIA Lender the 2019 TIFIA Loan Termination and Release Agreement in form and substance satisfactory to the TIFIA Lender and the 2019 TIFIA Loan Agreement shall have been terminated in accordance with the terms thereof.

(b) Conditions Precedent to All Disbursements. Notwithstanding anything in this Agreement to the contrary, the TIFIA Lender shall have no obligation to make any disbursement of loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the TIFIA Lender:

(i) With respect to any disbursement occurring sixty (60) days or more after the Effective Date, the Borrower shall have provided the Financial Plan, in each case in accordance with Section 21(a) (*Financial Plan, Statements, and Reports*). The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that the funds described in the Financial Plan most recently submitted to the TIFIA Lender as being available to pay for Project costs will be sufficient to complete the Project and no facts or circumstances have arisen that would reasonably be likely to cause such amounts reflected in such Financial Plan not to be available as and when needed to pay such Project costs.

(ii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have provided complete and fully executed copies of each agreement listed on the Principal Project Contracts Schedule then in effect, including any amendment, modification or supplement to such agreements. Each such agreement shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(iii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that all Governmental Approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect.

(iv) The Borrower shall have provided to the TIFIA Lender a certificate, executed by the Borrower's Authorized Representative, certifying that each of the insurance policies required to be obtained by the Borrower and each Principal Project Party pursuant to Section 15(f) (*Insurance*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

(v) At the time of, and immediately after giving effect to, any disbursement of TIFIA Loan proceeds then currently requested, (A) no Default or Event of Default hereunder, and no event of default (howsoever described or designated) under any other Related Document shall have occurred and be continuing, and (B) no event or

condition that, with the giving of notice, the passage of time, or both, would constitute an event of default (howsoever described or designated) of the Borrower under any other Related Document, in each case, shall have occurred and be continuing.

(vi) To the extent necessary to make the corresponding representations and warranties true and accurate as of the date of any disbursement of loan proceeds hereunder, the Borrower shall have delivered an updated version of each of Schedules 13(f) and 13(o), in each case, in form and substance satisfactory to the TIFIA Lender in its sole discretion.

(vii) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct as of each date on which any disbursement of the TIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date, in which case, such representations and warranties shall be true and correct as of such earlier date.

(viii) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred and be continuing since the date the Borrower submitted the Application to the TIFIA Lender.

(ix) The Borrower shall have delivered to the TIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*), and such Requisition shall have not been expressly denied by the TIFIA Lender.

(x) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have provided evidence to the TIFIA Lender's satisfaction that the performance security instruments to be delivered or received by the Borrower under each applicable Principal Construction Contract then in effect have been obtained and delivered and that each such instrument is in full force and effect and in compliance with the requirements for such performance security pursuant to the applicable Principal Construction Contract.

(xi) To the extent not previously paid, the Borrower shall have paid in full all invoices received from the TIFIA Lender (or from advisors to the TIFIA Lender that have direct billing arrangements with the Borrower) as of the date of disbursement of the TIFIA Loan for the reasonable fees and expenses of the TIFIA Lender's counsel and advisors and any auditors or other consultants employed by the TIFIA Lender incurred in connection with the Project, this Agreement, and the TIFIA Loan Documents (such reasonableness to be determined in accordance with Part 31 of the Federal Acquisition Regulation).

(xii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that the funds forecasted to be available under the Base Case Financial Model then in effect will be sufficient to pay Total Project Costs and other amounts necessary to achieve Substantial Completion.

(c) Notwithstanding anything to the contrary in this Agreement or any other TIFIA Loan Document, to the extent an Event of Default under Section 19(a)(vi) (*Cross Default*)

has occurred and is continuing as a result of an Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, in each case, related to an Existing ST Project, the TIFIA Lender may, in its sole discretion, upon written notification to the Borrower (such notification, a "**Disbursement Suspension Notice**"), suspend any right of the Borrower to request further disbursements under this Agreement, and, upon issuance of such Disbursement Suspension Notice to the Borrower, the TIFIA Lender shall have no further obligation to make any disbursements of loan proceeds to the Borrower in respect of the TIFIA Loan unless and until (i) such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default has been cured or waived or (ii) the TIFIA Lender otherwise has withdrawn such Disbursement Suspension Notice.

SECTION 13. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 13(b) (*Officer's Authorization*) and Section 13(k) (*Credit Ratings*), as of each date on which any disbursement of the TIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a regional transit authority duly organized, validly existing and in good standing under the laws of the State, has full legal right, power and authority to enter into this Agreement and the other Related Documents in effect as of any date on which this representation and warranty is made and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement and such other Related Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) this Agreement and the other Related Documents, and any certifications or instruments related thereto, to which the Borrower is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the TIFIA Loan Documents and each of the other Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party, has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of this Agreement and the other Related Documents in effect as of any date on which this representation and warranty is made to which the Borrower is a party, the consummation of the transactions contemplated in this Agreement and such other Related Documents and the fulfillment of or compliance with the terms and conditions of this Agreement and such other Related Documents will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable

court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it, the Pledged Taxes or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the property or assets of the Borrower.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of this Agreement and the other Related Documents in effect as of any date on which this representation and warranty is made, except as have been obtained or made and as are in full force and effect or (ii) (A) the consummation of any transaction contemplated by this Agreement and such other Related Documents or (B) the fulfillment of, or compliance by, the Borrower with the terms and conditions of this Agreement and such other Related Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and which can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. Except as set forth in **Schedule 13(f)**, there is no action, suit, proceeding, or, to the knowledge of the Borrower, inquiry or investigation, in any case before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting (i) the ability of the Borrower to perform its obligations under this Agreement or any other Related Document in effect as of any date on which this representation and warranty is made or which involves the validity or enforceability of this Agreement or any other Related Documents in effect as of any date on which this representation and warranty is made, (ii) the Borrower, the Pledged Taxes or the assets, properties or operations of the Borrower, that in any case (A) could reasonably be expected to result in a Material Adverse Effect in the good faith judgment of the TIFIA Lender or (B) could reasonably be expected to adversely affect the Borrower's ability to receive Pledged Taxes in amounts sufficient to meet the financial projections contained in the Initial Base Case Financial Model (or any Updated Base Case Financial Model, to the extent any Updated Base Case Financial Model has been submitted to the TIFIA Lender). The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interest. The TIFIA Loan Documents establish, for the benefit of the TIFIA Lender, the valid and binding TIFIA Lien on the Pledged Taxes that they purport to create, irrespective of whether any Person has notice of the pledge. Such TIFIA Lien is in full force and effect and is not subordinate or junior to any other Liens in respect of the Pledged Taxes except to the extent such Pledged Taxes are pledged to Senior Obligations and to the extent such other Liens are entitled to priority as a matter of law. The Borrower is not in breach of any covenants set forth in Section 15(a) (*Securing the TIFIA Lien*) or any of the Bond Documents with respect to the matters described in such section. The TIFIA Lien is valid and effective under chapter 81.112 RCW without any further action by the Borrower or any other party, and no documents or instruments are required or necessary to be recorded or filed for record in any place

to establish, or maintain the validity and enforceability of, the TIFIA Lien to the extent contemplated by the TIFIA Refinancing Resolution. All taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of the TIFIA Loan Documents have been paid. Neither the attachment, perfection, validity, enforceability or priority of the security interest in the TIFIA Lien granted pursuant to the TIFIA Refinancing Resolution and the other TIFIA Loan Documents is governed by Article 9 of the UCC.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 CFR § 180.320 and confirms that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 CFR § 180.995) is debarred, suspended or voluntarily excluded from participation in Federal Government contracts, procurement or non-procurement matters or delinquent on a Federal Government debt, as more fully set forth in the certificate delivered pursuant to Section 12(a)(iii) (*Conditions Precedent to Effectiveness*). Further, the Borrower has fully complied with 2 CFR Part 180, including Subpart C, in particular §§ 180.300 and 180.330, and with 2 CFR §1200.332. The Borrower is not aware of any non-compliance by any of its contractors or subcontractors with the applicable requirements of 2 CFR Part 180.

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents in effect as of any date on which such representations and warranties are made are true and correct, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(j) Compliance with Federal Requirements. The Borrower has complied, with respect to the Project, with all applicable requirements of NEPA, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.) and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.).

(k) Credit Rating. The TIFIA Bond and each Senior Obligation outstanding as of the Effective Date have received a public credit rating of "A-" or "A3" (or the equivalent thereto) or higher from at least two (2) Nationally Recognized Statistical Rating Organizations, and written evidence of each such public rating has been provided to the TIFIA Lender prior to the Effective Date, and neither such public rating has been reduced, withdrawn or suspended as of the Effective Date.

(l) No Defaults. No Default or Event of Default, and no event of default (howsoever described or designated) of the Borrower under any Related Document has occurred and is continuing.

(m) Governmental Approvals. All Governmental Approvals required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Project, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in the revocation of any such Governmental Approval.

(n) Principal Project Contracts. Each Principal Project Contract in effect on each date when this representation and warranty is made or deemed made is in full force and effect and all conditions precedent to the obligations of the respective parties under each such Principal Project Contract have been satisfied. The Borrower has delivered to the TIFIA Lender, if so requested, a fully executed, complete and correct copy of each such Principal Project Contract (including all exhibits, schedules and other attachments) that is in effect, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the Borrower or, to the Borrower's knowledge, any Principal Project Party, the right to terminate any Principal Project Contract. The Borrower is not in breach of any material term in or in default under any Principal Project Contract, and to the knowledge of the Borrower, no party to any of such Principal Project Contracts is in breach of any material term therein or in default thereunder.

(o) Information. The information furnished by the Borrower to the TIFIA Lender, when taken as a whole, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished; provided that no representation or warranty is made with regard to projections or other forward-looking statements provided by or on behalf of the Borrower (including the Initial Base Case Financial Model and each Updated Base Case Financial Model and the assumptions therein) except that the assumptions in the Initial Base Case Financial Model and each Updated Base Case Financial Model were reasonable in all material respects when made.

(p) OFAC; Anti-Money Laundering Laws; Anti-Corruption Laws.

(i) None of the Borrower nor, to the knowledge of the Borrower, any Principal Project Party is a Sanctioned Person.

(ii) None of the Borrower nor, to the knowledge of the Borrower, any Principal Project Party is in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (A) any applicable Anti-Money Laundering Laws; (B) any applicable Sanctions; (C) any applicable Anti-Corruption Laws; or (D) any applicable anti-drug trafficking or anti-terrorism laws, civil or criminal.

(iii) There are no pending or, to the knowledge of the Borrower, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the Borrower or any Principal Project Party, with respect to any possible or alleged violations of any applicable Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(iv) No use of proceeds of the TIFIA Loan or other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(q) Compliance with Law. The Borrower is in compliance in all material respects with, and has conducted (or caused to be conducted) its public transit operations in compliance in all material respects with, all applicable laws (other than Environmental Laws,

which are addressed in Section 13(r) (*Environmental Matters*), including those set forth on **Exhibit E** (*Compliance with Laws*), to the extent applicable, and those set forth in the FTA Master Agreement. To the Borrower's knowledge, each Principal Project Party is, and has caused its respective contractors and subcontractors to be, in compliance in all material respects with all applicable federal and State laws in respect of the Project, including those set forth on **Exhibit E** (*Compliance with Laws*), to the extent applicable, and those set forth in the FTA Master Agreement that flow down to third-party contractors. No notices of violation of any applicable law have been issued, entered or received by the Borrower, or, to the Borrower's knowledge and solely in respect of the Project or any Principal Project Contract, any Principal Project Party, that in each case could reasonably be expected to result in a Material Adverse Effect.

(r) Environmental Matters. The Borrower and, to the Borrower's knowledge, each Principal Project Party, is in compliance with all laws applicable to the Project relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Project referenced in the notice "Federal Environmental Statutes, Regulations, and Executive Orders Applicable to the Development and Review of Transportation Infrastructure Projects," 79 Fed. Reg. 22756 (April 23, 2014) (or any successor Federal Register notice of similar import), which document is available at http://www.transportation.gov/policy/transportation-policy/environment/laws ("**Environmental Laws**"). All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. Except as disclosed in Schedule 13(r), which sets forth all written communications and notices that the Borrower, upon consultation with legal counsel, has reasonably and in good faith determined to be either (i) without merit or (ii) not expected to result in a Material Adverse Effect, the Borrower has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower is not in material compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the Borrower's knowledge, there are no circumstances that may prevent or interfere with material compliance in the future by the Borrower with any such Environmental Laws or Governmental Approvals. The Borrower has provided to the TIFIA Lender and to the FTA Regional Office all material assessments, reports, records, and results of investigations or audits in the possession of or reasonably available to the Borrower regarding the Borrower's or the Project's compliance with Environmental Laws and Governmental Approvals related to Environmental Laws that are required for the Project.

(s) Sufficient Rights and Utilities. The Borrower possesses, or will possess, at such time as may be necessary in order to construct and operate the Project or as otherwise required by applicable law, either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Project, in each case as is necessary and sufficient as of the date this representation and warranty is made for the construction, operation, maintenance and repair of the Project. As of any date this representation and warranty is made, each Principal Project Contract that is then in effect and the Governmental Approvals that have been obtained and are then in full force and effect create rights in the Borrower sufficient to enable the Borrower to own or lease, as applicable, construct, operate, maintain and repair the Project and

to perform its obligations under the Principal Project Contracts to which it is a party. All utility services, means of transportation, facilities and other materials necessary for the construction and operation of the Project (including, as necessary, gas, electrical, water and sewage services and facilities) are, or will be when needed, available to the Project and arrangements in respect thereof have been or will be made on commercially reasonable terms.

(t) Insurance. **Schedule 13(o)** lists all insurance policies of any nature required to be maintained by the Borrower with respect to the Project in accordance with Section 15(f) (*Insurance*), as well as a summary of the terms of each such policy. The Borrower is in compliance with all insurance obligations required under each Principal Construction Contract then in effect.

(u) Title. The Borrower has valid legal and beneficial title to, or a valid leasehold interest in, the personal property and other assets and revenues thereof on which it purports to grant Liens pursuant to the Bond Documents, in each case free and clear of any Lien of any kind, except for Permitted Liens.

(v) No Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien upon the Pledged Taxes, the Project or the properties or assets in relation to the Project.

(w) Intellectual Property. The Borrower owns, or will own, or has, or will have, in any event at such time as may be necessary in order to construct and operate the Project as otherwise required by applicable law, adequate licenses or other valid rights to use all material patents, trademarks, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto and has obtained, or will obtain, assignment of all licenses and other rights of whatsoever nature, in each case necessary for the Project and the operation of its business. To the Borrower's knowledge, there exists no conflict with the rights or title of any third party with respect to the intellectual property described in the preceding sentence. Excluding the use of commercially available "off-the-shelf" software, to the Borrower's knowledge, no product, process, method, substance, part or other material produced or employed or presently contemplated to be produced by or employed by the Project infringes or will infringe any patent, trademark, service mark, trade name, copyright, franchise, formula, license or other intellectual property right of any third party.

(x) Investment Company Act. The Borrower is not, and after applying the proceeds of the TIFIA Loan will not be, required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and is not "controlled" by a company required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(y) Financial Statements. Each statement of net position, statement of revenues, expenses and changes in net position and statement of cash flow (collectively, "**Financial Statements**") delivered to the TIFIA Lender pursuant to Section 21(c) (*Financial Plan, Statements, and Reports*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the statement of net position included therein and the results of operations of the Borrower for the respective

periods covered by the statement of revenues, expenses and changes in net position or statement of cash flow included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(z) Other Prohibited Transactions. Except for the transactions expressly contemplated in the Principal Project Contracts and the Bond Documents, the Borrower has not (i) sold or transferred any property or assets to, or purchased or acquired any property or assets of, or (ii) otherwise engaged in any other transaction in connection with, any other Governmental Authority (including the Governmental Authorities of the State) the terms and provisions of which are materially adverse to the Borrower or that could reasonably be expected to have a Material Adverse Effect.

(aa) Sovereign Immunity. The Borrower has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the Borrower under any of the Related Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower hereunder and thereunder. To the extent that the Borrower has such immunity, the Borrower has waived such immunity pursuant to Section 15(r) (*Immunity*).

(bb) Patriot Act. The Borrower has established an anti-money laundering compliance program as required by the Patriot Act and is in compliance with the Patriot Act in all material respects.

(cc) Taxes. The Borrower has (i) filed all tax returns required by applicable laws to be filed by it and (ii) paid all income taxes payable by it that have become due pursuant to such tax returns, and all other material taxes and assessments payable by it that have become due (other than those taxes and assessments that it is contesting in good faith and by appropriate proceedings, for which adequate reserves have been established to the extent required by GAAP).

(dd) ERISA. Neither the Borrower nor any ERISA Affiliate maintains or otherwise has any liability in respect of any plan or other arrangement that is subject to ERISA or Section 412 of the Tax Code.

(ee) Sufficient Funds. The aggregate of all funds that are committed, or reasonably expected to be available, for the development and construction of the Project under the various sources of funds set forth in the Base Case Financial Model then in effect will be sufficient to pay all Total Project Costs anticipated for the development and construction of the Project and to achieve Substantial Completion.

(ff) No Proposed Legal Changes. There is no (i) amendment or, to the knowledge of the Borrower, no proposed amendment certified for placement on a statewide or local ballot (including any voter initiatives or referendums), to the Bond Documents or that relates to Local Option Taxes or Pledged Taxes or (ii) legislation that has passed, or any published judicial decision interpreting any of the foregoing, which could reasonably be expected to result in a Material Adverse Effect on the ability of the Borrower to receive any of the Pledged Taxes or its

ability to perform its obligations under this Agreement, the TIFIA Bond and the other TIFIA Loan Documents in effect as of any date on which this representation and warranty is made.

(gg) Investment Policy. The Borrower has neither made any investment nor entered into any agreements for the purpose of effecting any investment which (i) is not permitted pursuant to the Bond Documents and the TIFIA Loan Documents in effect as of any date on which this representation and warranty is made, or (ii) is contrary to the Investment Policy.

SECTION 14. Representations and Warranties of TIFIA Lender. The TIFIA Lender represents and warrants that:

(a) Power and Authority. The TIFIA Lender has all requisite power and authority to enter into this Agreement and to perform all transactions contemplated by this Agreement.

(b) Due Execution; Enforceability. This Agreement has been duly authorized, executed and delivered by the TIFIA Lender, and is a legally valid and binding agreement of the TIFIA Lender, enforceable in accordance with its terms.

(c) Officers' Authorization. The officers of the TIFIA Lender executing this Agreement are duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.

SECTION 15. Affirmative Covenants. The Borrower covenants and agrees as follows until the date the TIFIA Loan and all obligations of the Borrower under this Agreement (other than contingent indemnity obligations) have been irrevocably paid in full in cash and the TIFIA Lender no longer has any commitment to make disbursements to the Borrower under any of the TIFIA Loan Agreements, unless the TIFIA Lender waives compliance in writing:

(a) Securing the TIFIA Lien. The TIFIA Lien granted to the TIFIA Lender pursuant to the TIFIA Loan Documents shall be subordinate only to the pledge of the Pledged Taxes to the payment of Senior Obligations. The Borrower shall at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming (i) the TIFIA Lien in and to the Pledged Taxes (whether now existing or hereafter arising) granted to the TIFIA Lender and (ii) the Pledged Taxes are and will be free and clear of any Lien thereon or with respect thereto other than Permitted Liens, and, in each case of clauses (i) and (ii), all corporate action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the TIFIA Lien in and to the Pledged Taxes and all rights of the TIFIA Lender, as owner of the TIFIA Bond, against all claims and demands of all Persons whomsoever affecting the TIFIA Lien. In the event that the Borrower pledges any Additional Taxes to holders of any Bonds, such Additional Taxes shall (x) constitute Pledged Taxes and (y) be deemed pledged for the benefit of the TIFIA Lender as security for the payment of the TIFIA Bond and all of the obligations of the Borrower in respect of the TIFIA Loan.

(b) Copies of Documents. The Borrower shall furnish to the TIFIA Lender copies of any draft offering documents and final offering documents and cash flow projections prepared in connection with the incurrence of any Permitted Debt, prior to the incurrence of any such Permitted Debt, as well as copies of any continuing disclosure documents, prepared by or on behalf of the Borrower in connection with the incurrence of such Permitted Debt, in each case promptly following the preparation or filing thereof. Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender (i) copies of any draft documents relating to the incurrence of Permitted Debt (other than equipment leases and trade accounts included in such definition) at least thirty (30) days prior to the effective date thereof and (ii) copies of fully executed or final versions of such documentation within ten (10) days following execution or completion thereof.

(c) Use of Proceeds. The Borrower shall use the proceeds of the TIFIA Loan only for the purposes permitted by applicable law and as otherwise permitted under this Agreement and the other Related Documents.

(d) Prosecution of Work; Verification Requirements,.

(i) The Borrower shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule applicable thereto, and in accordance with the highest standards of the Borrower's industry, using its best efforts at all times.

(ii) The Borrower shall ensure that each Construction Contractor complies with all applicable laws and legal or contractual requirements with respect to any performance security instrument delivered by such Construction Contractor to the Borrower and shall ensure that any letter of credit provided pursuant to any such Principal Construction Contract meets the requirements therefor set forth in such Principal Construction Contract.

(iii) The Borrower shall comply with 2 CFR Part 180, including Subpart C, in particular §§ 180.300 and 180.320, and with 2 CFR § 1200.332.

(e) Operations and Maintenance. The Borrower shall (i) operate and maintain the Project (A) in a reasonable and prudent manner and (B) substantially in accordance with the Financial Plan most recently submitted to the TIFIA Lender (except as necessary to prevent or mitigate immediate threats to human health and safety or to prevent or mitigate physical damage to material portions of the Project) and (ii) maintain the Project in good repair, working order and condition and in accordance with the requirements of all applicable laws and each Related Document. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises and authorizations material to the conduct of its business.

(f) Insurance. The Borrower shall at all times, through a combination of insurance policies and self-insurance programs, maintain or cause its contractors to maintain, all insurance necessary and sufficient to protect the Project and the Borrower against accidental loss or damage while under construction and during subsequent periods of operation and maintenance,

as is customarily maintained by the Borrower with respect to works and properties of like character, against accident to, loss of, damage to and liability from such works or properties, in each case satisfying the requirements of the Bond Documents, as applicable. All such general liability and excess liability insurance policies maintained by the Borrower or its contractors with respect to the Project shall name the TIFIA Lender as an additional insured.

(g) Notice. The Borrower shall, within five (5) Business Days after the Borrower learns of the occurrence (except as otherwise required hereby), give the TIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, which notice shall include details of such event:

(i) Events of Default: the occurrence of any Default or Event of Default;

(ii) Litigation: (A) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third party, or the receipt by the Borrower in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the Borrower that, in each case, (1) is related to any Local Option Taxes or Pledged Taxes or (2) could reasonably be expected to have a Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, (B) any judgment against the Borrower with award amounts in excess of $10,000,000 (inflated annually by CPI) that are payable from the Pledged Taxes or any portion thereof, and are not otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage) and (C) any material notices or filings in respect of any action, petition, suit or proceeding listed in **Schedule 13(f)**, or changes in the status thereof;

(iii) Environmental Notices: (A) any material notice of a violation under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(iv) Insurance Claim: any insurance claims made by the Borrower or a Construction Contractor in respect of the Project in excess of $10,000,000 either individually or in the aggregate;

(v) Amendments: copies of (A) any proposed amendments to any Related Documents (other than the DOR Agreement, DOL Agreement, the IGA Agreement, any Construction Contract and any Related Document to which the TIFIA Lender is a party) at least thirty (30) days prior to the effective date thereof and (B) copies of such fully executed amendments within ten (10) days following execution thereof;

(vi) Defaults: any material breach or default or event of default on the part of the Borrower or any Principal Project Party under any Principal Project Contract;

(vii) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to result in a Material Adverse Effect;

(viii) Project Changes: any (A) change to the Eligible Project Costs within a five percent (5%) variance of the Project Budget or (B) material change to the Construction Schedule. For purposes of this clause (viii), any delay to any milestone set forth in such Construction Schedule that negatively affects a critical path item that could delay achievement of Substantial Completion by the Projected Substantial Completion Date shall be a material change;

(ix) DOR Agreement and DOL Agreement: any assignment, amendment or termination of the DOR Agreement or the DOL Agreement. Any notice required to be made pursuant to this Section shall include (A) a brief description of the proposed assignment, amendment or termination, as applicable, together with a description setting forth the actions the Borrower proposes to take with respect thereto, including with respect to the assessment, collection and distribution of the Pledged Taxes after such assignment or termination, and (B) a certificate, in form and substance satisfactory to the TIFIA Lender and signed by the Borrower's Authorized Representative, certifying that the proposed assignment, amendment or termination could not reasonably be expected to have a Material Adverse Effect;

(x) IGA Agreement: any assignment, amendment or termination of the IGA Agreement either with respect to the System or the Project. Any notice required to be made pursuant to this Section shall include (A) a brief description of the proposed assignment, amendment or termination, as applicable, together with a description setting forth the actions the Borrower proposes to take with respect thereto, including with respect to the plans for the ongoing operations and maintenance of the Project, and (B) a certificate, in form and substance satisfactory to the TIFIA Lender and signed by the Borrower's Authorized Representative, certifying that the proposed assignment, amendment or termination could not reasonably be expected to have a Material Adverse Effect;

(xi) Legislative or Judicial Action or Voter Initiative: any legislative or judicial action or voter initiative or referendum the result of which could (A) increase or decrease the rate at which any of the Local Option Taxes or Pledged Taxes may be imposed by the Borrower or otherwise affect the imposition or collection of such Local Option Taxes or Pledged Taxes, (B) amend or repeal the Borrower's constitutional or statutory authority to operate under State law or (C) amend or repeal the Borrower's ability to incur indebtedness or otherwise change the maximum amount of indebtedness that the Borrower may incur, with or without voter approval;

(xii) Matters Relating to the Determination of the Occurrence of a Revenue Sharing Trigger Event: the occurrence of (A) the completion or abandonment of any capital program expanding the regional Sound Transit system pursuant to an authorized and voter approved capital expenditure program (including, for the avoidance of doubt, the ST2 Capital Program and the ST3 Capital Program) and (B) the approval by the voters of any other capital program to build or expand the Borrower's regional Sound Transit system;

(xiii) Coverage Ratios: in the event that, as of any Ratio Calculation Date, (A) the Revenue Coverage Ratio for the most recent Calculation Period is equal to or less

than 1.00 to 1.00 or (B) the Debt Service Coverage Ratio for the most recent Calculation Period is equal to or less than 1.50 to 1.00;

(xiv) Ratings Changes: any change in the rating assigned to the Senior Obligations or the TIFIA Bond by any Nationally Recognized Statistical Rating Organization that is maintaining such rating at the request of the Borrower, including any such Nationally Recognized Statistical Rating Organization that has issued a rating in connection with the TIFIA Bond;

(xv) 2 CFR Notices: (A) that any of the information set forth in the certificate provided pursuant to Section 12(a)(iii) (*Conditions Precedent to Effectiveness*) was incorrect at the time the certificate was delivered or there has been a change in status of the Borrower or any of its principals with respect to the criteria set forth in 2 CFR § 180.335; (B) any other notification required pursuant to 2 CFR § 180.350; and (C) any violation of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the TIFIA Loan as described in 2 CFR § 200.113, and the Borrower shall require its subcontractors to provide it notice of any such violation;

(xvi) Material Events: the filing of (together with a copy of) any notice to the Municipal Securities Rulemaking Board of any of the events described in clause (b)(5)(i)(C) of Rule 15c2-12 of the U.S. Securities and Exchange Commission (or any similar rule); and

(xvii) Other Adverse Events: the occurrence of any other event or condition that could reasonably be expected to result in a Material Adverse Effect.

The Borrower shall provide the TIFIA Lender with any further information reasonably requested by the TIFIA Lender from time to time concerning the matters described in this Section 15(g) (*Notice*).

(h) Remedial Action. Within fifteen (15) Business Days after the Borrower learns of the occurrence of an event specified in Section 15(g) (*Notice*) (other than such events specified under subclauses (v), (xiii), and (xiv) (in the case of a ratings upgrade)), the Borrower's Authorized Representative shall provide a statement (unless additional information is expressly required pursuant to Section 15(g) (*Notice*)) to the TIFIA Lender and the FTA Regional Office setting forth the actions the Borrower proposes to take with respect thereto.

(i) Maintain Legal Structure. The Borrower shall maintain its existence as a public agency and regional transit authority under Chapter 81.112 RCW and Chapter 81.104 RCW or any successor provisions under the laws of the State and shall meet the legal capacity requirements of 49 U.S.C. Chapter 53.

(j) Annual Rating. The Borrower shall, commencing in 2022, no earlier than June 1 and no later than the last Business Day of June of each year during the term of the TIFIA Loan, provide to the TIFIA Lender, at no cost to the TIFIA Lender, a public rating letter by a Nationally Recognized Statistical Rating Organization on the TIFIA Bond and the existing ratings on any other outstanding Bonds; provided, however, that (i) the delivery of such rating letter shall not be required hereunder if the Borrower, in connection with the issuance of any Future Bonds in

accordance with Section 16(b) (*Issuance of Future Bonds*), has previously provided to the TIFIA Lender a public rating letter issued by a Nationally Recognized Statistical Rating Organization covering the TIFIA Bond and any other Bonds then outstanding that is dated no earlier than the preceding December 1 and (ii) a rating report is not required to be included along with such annual rating letter as long as the Borrower provides to the TIFIA Lender, at no cost to the TIFIA Lender, a rating report with a rating letter on the TIFIA Bond and any other outstanding Bonds (A) upon the issuance of any Future Bonds, (B) at any time the rating on the TIFIA Bond or any other outstanding Bonds is changed, and (C) at least once every five (5) years.

(k) Funds and Accounts.

(i) In each case in accordance with the provisions of the Bond Documents, including this Agreement, the Borrower shall maintain each of the Prior Reserve Account, the Parity Reserve Account and the TIFIA Reserve Account in an amount equal to the Prior Reserve Account Requirement, the Parity Reserve Account Requirement and the TIFIA Reserve Account Requirement, respectively. Amounts in each Reserve Account shall be applied to ensure the timely payment of the principal of and interest on the Bonds secured by such Reserve Account. The Borrower may replace all or a portion of the required balance on each such Reserve Account, if permitted by and in accordance with the terms of the Bond Documents, with an irrevocable letter of credit, insurance policy or similar instrument provided by a Qualified Financial Institution. With respect to the TIFIA Reserve Account, any letter of credit, insurance policy or similar instrument shall be issued by a Qualified Financial Institution and, in the case of any letter of credit, such letter of credit shall be an Acceptable Letter of Credit. If at any time the financial institution that has provided such letter of credit, insurance policy or similar instrument ceases to be a Qualified Financial Institution, the Borrower shall cause such instrument to be replaced by a new Acceptable Letter of Credit, insurance policy or similar instrument issued by a Qualified Financial Institution within thirty (30) Business Days after the date on which such financial institution ceased to be a Qualified Financial Institution or shall otherwise ensure that the TIFIA Reserve Account is funded with cash and/or Permitted Investments in an amount, together with any Acceptable Letter of Credit, insurance policy or similar instrument credited thereto and issued by a Qualified Financial Institution, not less than the then applicable TIFIA Reserve Account Requirement.

(ii) Upon the occurrence of a TIFIA Reserve Event, the Borrower shall transfer to the TIFIA Reserve Account on the first (1st) Business Day of each month thereafter the least of (x) the amount of Pledged Taxes available in that month after making the transfers described in paragraphs *First* through *Seventh* in Section 8(d) (*Security and Priority; Flow of Funds*); (y) one-twelfth (1/12th) of the TIFIA Reserve Account Requirement; and (z) the amount required to make the balance in the TIFIA Reserve Account equal to the TIFIA Reserve Account Requirement; provided, however, that the Borrower shall fund the TIFIA Reserve Account in an amount equal to the TIFIA Reserve Account Requirement no later than the first (1st) Business Day of the month following the twelfth (12th) month after the TIFIA Reserve Event. Notwithstanding the foregoing, following the occurrence of a TIFIA Reserve Event, in the event that, on any Ratio Calculation Date, the Debt Service Coverage Ratio for the preceding Calculation Period falls below 1.25 to 1.00, the amount of the TIFIA Reserve Account Requirement not yet

funded, if any, shall be funded by no later than the next Semi-Annual Payment Date following such occurrence. Amounts on deposit in the TIFIA Reserve Account shall be made available to ensure the timely payment of TIFIA Debt Service on the TIFIA Loan and debt service in respect of Other TIFIA Bonds, in each case as needed, and shall not be available to pay any other obligations owed by the Borrower to any other Person. If any funds on deposit in the TIFIA Reserve Account are drawn upon to pay TIFIA Debt Service due on any Semi-Annual Payment Date, the Borrower shall restore such funds on deposit in the TIFIA Reserve Account to the TIFIA Reserve Account Requirement no later than the next succeeding Semi-Annual Payment Date. So long as any TIFIA Reserve Event continues, funds on deposit in the TIFIA Reserve Account shall remain in such account and shall be invested only in Permitted Investments. If, after the occurrence of a TIFIA Reserve Event, the Borrower delivers to the TIFIA Lender certificates pursuant to Section 21(f) (*Financial Plan, Statements, and Reports*) on four (4) consecutive Ratio Calculation Dates showing that the Debt Service Coverage Ratio for the Calculation Period preceding each such Ratio Calculation Date was not less than 1.50 to 1.00, the Borrower may provide written notice thereof to the TIFIA Lender and transfer any balance in the TIFIA Reserve Account to the Local Option Tax Accounts or Additional Taxes Accounts for application in accordance with Section 8(d) (*Security and Priority; Flow of Funds*); provided that, if the duration of the TIFIA Reserve Event was longer than two (2) years, then any balance in the TIFIA Reserve Account shall remain in the TIFIA Reserve Account for a period at least as long as the duration of the TIFIA Reserve Event and, before the Borrower may transfer any balance in the TIFIA Reserve Account to the Local Option Tax Accounts for application in accordance with Section 8(d) (*Security and Priority; Flow of Funds*), the Borrower must deliver to the TIFIA Lender certificates pursuant to Section 21(f) (*Financial Plan, Statements, and Reports*) on each Ratio Calculation Date during such period showing that the Debt Service Coverage Ratio for the preceding Calculation Period was not less than 1.50 to 1.00.

(iii) In accordance with the provisions of the TIFIA Refinancing Resolution, the Borrower shall cause the Prior Bond Account, Parity Bond Account, TIFIA Debt Service Account and any debt payment account created in connection with any other Junior Obligations to be funded in such amounts and under such conditions as are required in the TIFIA Refinancing Resolution to pay debt service on the Prior Bonds, Parity Bonds, the TIFIA Bond, any Other TIFIA Bonds, and any other Junior Obligations, respectively.

(iv) Amounts on deposit in the Construction Account shall be held uninvested or invested in Permitted Investments. Any such Permitted Investments must mature or be redeemable at the election of the holder on or prior to the date on which the funds invested in such Permitted Investments are needed for any payment from such Construction Account.

(l) Sufficiency Test.

(i) The Borrower shall impose the Rental Car Tax at a rate of not less than the then applicable Rental Car Tax Rate and the Sales Tax at a rate of not less than the then applicable Sales Tax Rate; provided that the Borrower may impose the Sales Tax at a rate of less than the then applicable Sales Tax Rate but not less than the Sales Tax

Reduced Rate so long as a Borrower Pledged Taxes Sufficiency Certificate is delivered to the TIFIA Lender not less than sixty (60) days prior to the date of that reduction in rate and within thirty (30) days after the end of each Borrower Fiscal Year during which the Sales Tax has been so reduced, which Borrower Pledged Taxes Sufficiency Certificate shall comply with the requirements described below. To the extent permitted by law and approved by the voters (if a vote is required), the Borrower may, in a Series Resolution, pledge to the payment of the TIFIA Bond the Sales Tax in excess of the then applicable Sales Tax Rate, the Rental Car Tax in excess of the then applicable Rental Car Tax Rate and any other tax authorized by law. Notwithstanding the foregoing, the Borrower may at its discretion pledge amounts attributable to any increase of the Sales Tax rate above the then applicable Sales Tax Rate and any increase in the Rental Car Tax above the then applicable Rental Car Tax Rate to any other obligations or to other Borrower purposes; provided that any such obligations shall be issued in accordance with Section 16(b) (*Issuance of Future Bonds*).

(ii) If the Borrower desires to impose the Sales Tax at a rate less than the then applicable Sales Tax Rate (but in any event not less than the Sales Tax Reduced Rate), not less than sixty (60) days prior to the initial effective date of the reduction in the rate of the Sales Tax, the Borrower shall deliver to the TIFIA Lender a Borrower Pledged Taxes Sufficiency Certificate certifying and evidencing that:

(A) The Borrower has met the sufficiency test requirements under the applicable Bond Documents then in effect; and

(B) The Borrower has met the requirements of the Sufficiency Test.

In preparing such certificate: (1) the Pledged Taxes during the Base Period may be only those shown in the audited or unaudited Financial Statements of the Borrower for the Base Period; (2) the Borrower shall take into account in calculating Pledged Taxes received during the Base Period any Adopted Pledged Taxes Rate Adjustment and Additional Taxes included as Pledged Taxes, and taxes from annexed territory, as if such adjustments, additions or annexation had been in effect during the entire Base Period; (3) the Sales Tax received during the Base Period shall be adjusted to reflect the reduced rate of the then applicable Sales Tax Rate; and (4) any Adopted Pledged Taxes Rate Adjustment and/or Additional Taxes included as Pledged Taxes shall be taken into account only if a certified public accountant, economic consultant or financial advisor experienced with state or local taxation or municipal bonds certifies that it is reasonable to expect that such adjustments or additions will be received in the amounts assumed in the Borrower Pledged Taxes Sufficiency Certificate.

There may be added to Pledged Taxes collected in the Base Period amounts withdrawn from the Tax Stabilization Subaccount in the Base Period and deposited into the Local Option Tax Accounts and/or the Additional Taxes Accounts in accordance with Section 8(e) (*Security and Priority; Flow of Funds*).

If the Borrower is imposing the Sales Tax at a rate less than the then applicable Sales Tax Rate (which in any event shall not be less than the Sales Tax Reduced Rate) and if the Borrower is unable to deliver a Borrower Pledged Taxes Sufficiency Certificate within thirty (30) days after the end of each Borrower Fiscal Year during which the rate at which the Sales Tax is imposed has been so reduced confirming satisfaction with the tests set forth in clause (l)(ii)(ii) above, the Borrower shall, within ninety (90) days after the end of that Borrower Fiscal Year, take all action required on its part to increase the rate of that Sales Tax imposed, but not to exceed the then applicable Sales Tax Rate for the purpose of being able to deliver such Borrower Pledged Taxes Sufficiency Certificate.

The Borrower shall fix, levy and impose the additional motor vehicle excise tax approved at an election held on November 8, 2016 at a rate of not less than eight-tenths of one percent (0.8%). Notwithstanding the foregoing, the Borrower may at its discretion pledge amounts attributable to any increase of the Motor Vehicle Tax rate above eight-tenths of one percent (0.8%) (or, during any time the 1996 Motor Vehicle Tax is being imposed, above one and one-tenth of one percent (1.1%)) to any other obligations or to other Borrower purposes.

The Borrower shall fix, levy and impose the 1996 Motor Vehicle Tax, to the extent permitted by law, at a rate of not less than three-tenths of one percent (0.3%).

The Borrower shall take all reasonable actions necessary to impose and provide for the continued collection of the Pledged Taxes and the application of those taxes for payment of the TIFIA Bond in accordance with this Agreement. Except as expressly permitted under this Section 15(l), the Borrower shall not take any action that limits, terminates, reduces or otherwise impairs its authority to impose and collect all Pledged Taxes.

(m) Material Obligations; Liens. The Borrower shall pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Pledged Taxes or its Total Revenues or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien (other than Permitted Liens) upon such properties or any part thereof or upon the Pledged Taxes; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(n) Hedging and Variable Rate Bonds.

(i) To protect against fluctuations in interest rates, the Borrower shall make arrangements for a Qualified Hedge to be in place and maintained with respect to Bonds during any period in which such Bonds bear interest at a Variable Rate (including Bonds for which a Qualified Hedge is executed that has the effect of converting the fixed rate of interest thereon to a synthetic Variable Rate), except that this requirement shall not

apply to (A) Variable Rate Bonds such as commercial paper having a final maturity of one year or less, or (B) outstanding Variable Rate Bonds (excluding any outstanding Variable Rate Bonds described in clause (A)) in an aggregate total principal amount not exceeding twenty-five percent (25%) of the total principal amount of the Borrower's outstanding Bonds (the "**Hedging Threshold**").

(ii) In the event the Borrower intends to issue Variable Rate Bonds in a principal amount in excess of the Hedging Threshold, the Borrower shall provide the TIFIA Lender with at least sixty (60) days' prior written notice of its intention to enter into a Qualified Hedge with respect to the Variable Rate Bonds in excess of the Hedging Threshold, and the terms and conditions of any such Qualified Hedge shall be subject to the prior written approval of the TIFIA Lender, which approval shall not be unreasonably withheld. The notice to the TIFIA Lender shall include evidence of the Borrower's compliance with Chapter 39.96 RCW, and the Borrower shall provide a copy of the Qualified Hedge upon its execution, together with a certificate that such Qualified Hedge complies with the applicable requirements of Chapter 39.96 RCW.

(iii) The method of computing the Variable Rate for each Variable Rate Bond shall be specified in the Series Resolution authorizing such Bonds; provided that such variable interest rate shall be subject to a maximum interest rate set forth in such Series Resolution, unless either (A) the Borrower has entered into a Qualified Hedge with respect to such Variable Rate Bonds which provides for a synthetic fixed rate of interest or (B) the TIFIA Lender otherwise provides its written consent.

(o) Principal Construction Contracts. The Borrower, as soon as reasonably practicable, shall provide written notice of the execution of each Principal Construction Contract to the TIFIA Lender and the FTA Regional Office and make electronic copies available on an FTP site upon request. Upon request, the Borrower also shall provide the TIFIA Lender and the FTA Regional Office with a certified copy of the executed version of each such Principal Construction Contract.

(p) Substantial Completion. Within ten (10) days of the attainment of Substantial Completion, the Borrower shall provide the TIFIA Lender with an executed copy of a certificate evidencing such Substantial Completion in the form attached as **Exhibit I** (*Form of Substantial Completion Certificate*).

(q) FTA Master Agreement. The Borrower shall comply in all material respects with all applicable federal and State laws, including (i) all items set forth on **Exhibit E** (*Compliance with Laws*), to the extent applicable, and (ii) the terms and conditions of the FTA Master Agreement, which has no expiration date and which continues to apply until modified or superseded as outlined therein.

(r) Immunity. To the fullest extent permitted by applicable law, the Borrower agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Borrower under this Agreement or any other TIFIA Loan Document.

(s) Revenue Coverage Ratio. The Borrower shall at all times maintain a Revenue Coverage Ratio of at least 1.00 to 1.00.

(t) Taxes. The Borrower shall timely file all tax returns required by any Governmental Authority.

(u) SAM Registration. The Borrower shall (i) maintain its active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the TIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash.

(v) Patriot Act. If the anti-money laundering compliance program provisions of the Patriot Act become applicable to the Borrower, then the Borrower will provide written notice to the TIFIA Lender of the same and will promptly establish an anti-money laundering compliance program that complies with all requirements of the Patriot Act.

(w) Cargo Preference Act. Pursuant to 46 CFR Part 381, the Borrower hereby agrees as follows, and shall insert the following clauses in contracts entered into by the Borrower pursuant to which equipment, materials or commodities may be transported by ocean vessel in carrying out the Project:

(i) At least fifty percent (50%) of any equipment, materials or commodities procured, contracted for or otherwise obtained with TIFIA Loan proceeds, and which may be transported by ocean vessel, shall be transported on privately owned United States-flag commercial vessels, if available.

(ii) Within twenty (20) days following the date of loading for shipments originating within the United States or within thirty (30) Business Days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (i) above shall be furnished to both the TIFIA Lender and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590.

(x) Lobbying. The Borrower shall comply with all applicable certification, declaration and/or disclosure requirements under 49 CFR Part 20.

(y) Reporting Subawards and Executive Compensation. To the extent applicable, the Borrower shall comply, and shall require each Subrecipient (as defined in **Exhibit K**) to comply, with the reporting requirements set forth in **Exhibit K** (*Reporting Subawards and Executive Compensation*).

(z) Contest Challenges to Borrower's Authority. The Borrower shall diligently pursue, in a manner that the Borrower in its reasonable discretion determines to be most likely to succeed, all practicable judicial remedies to contest (i) any challenge to the authority of the Borrower to impose the Local Option Taxes and Pledged Taxes in accordance with its covenants

under the TIFIA Loan Documents, or (ii) any proceeding that could (A) have a substantially similar effect or (B) result in a material adverse effect on the ability of the Borrower to perform its obligations under this Agreement, the TIFIA Bond or any other TIFIA Loan Document.

SECTION 16. Negative Covenants. The Borrower covenants and agrees as follows until the date the TIFIA Loan and all obligations of the Borrower under this Agreement (other than contingent indemnity obligations) have been irrevocably paid in full in cash and the TIFIA Lender no longer has any commitment to make disbursements to the Borrower under this Agreement, unless the TIFIA Lender waives compliance in writing:

(a) Permitted Indebtedness. Except for Permitted Debt, the Borrower shall not, without the prior written consent of the TIFIA Lender, issue or incur indebtedness of any kind secured by or payable from all or any portion of the Pledged Taxes.

(b) Issuance of Future Bonds.

(i) In order to issue any Future Bonds, the Borrower shall provide the TIFIA Lender a certificate of the Borrower's Chief Executive Officer or Chief Financial Officer, in form reasonably acceptable to the TIFIA Lender (including the calculations supporting such certificate), certifying that (A) the Borrower has satisfied the requirements for issuing such Future Bonds under the applicable Bond Documents; (B) the Future Bonds Historic Debt Service Coverage Ratio shall be not less than 1.10 to 1.00; (C) the Future Bonds Projected Debt Service Coverage Ratio for each calendar year during the Projected Period shall be not less than 1.10 to 1.00; and (D) the Revenue Coverage Ratio, after giving effect to the issuance of such Future Bonds, shall be projected to be not less than 1.00 to 1.00 in each calendar year while the TIFIA Bond is scheduled to be outstanding.

(ii) In addition to the requirements set forth in clause (i) above, in order to issue Future Bonds, the Borrower shall provide the TIFIA Lender a certificate of the Borrower's Chief Executive Officer or Chief Financial Officer, in form reasonably acceptable to the TIFIA Lender, certifying that (A) no Event of Default under the Bond Documents, this Agreement or any other TIFIA Loan Document shall have occurred and be continuing and (B) the Nationally Recognized Statistical Rating Organization that provided the most recent public rating of the TIFIA Bond then outstanding in accordance with Section 15(j) (*Annual Rating*) shall have confirmed that the incurrence of such Future Bonds shall not result in a downgrade of the then existing credit rating of the TIFIA Bond then outstanding below "A-" or "A3" (or the equivalent thereto).

(c) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the TIFIA Lender, (i) extinguish or impair the TIFIA Lien, (ii) except as otherwise expressly permitted in this Agreement, terminate, assign, amend, modify, replace or supplement any Related Document in a manner that could adversely affect the TIFIA Lender (in the TIFIA Lender's determination) in connection with the TIFIA Loan or TIFIA Bond, (iii) waive or permit a waiver of any provision of any Related Document in a manner that could adversely affect the TIFIA Lender (in the TIFIA Lender's determination) in connection with the TIFIA Loan or TIFIA Bond, (iv) terminate, assign, amend or modify, or waive timely performance by any party of, material covenants under any

Principal Project Contract except for termination, assignment, amendment, modification or waiver that could not reasonably be expected to have a Material Adverse Effect, (v) except as otherwise expressly permitted in this Agreement, take any action, or fail to take any action, which would have the effect of reducing the rate at which any Pledged Taxes available to pay debt service on the TIFIA Bond may be imposed, or (vi) provide for the acceleration (not including any indirect acceleration of the maturity thereof (A) through reimbursement obligations to the provider of a Credit Facility occurring as a result of a mandatory tender for purchase thereof or (B) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase thereof) of any Bonds or other obligations of the Borrower. Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender copies of any proposed amendments, modifications, replacements of, or supplements to any Related Document (other than any copies already provided pursuant to Section 12(b) (*Conditions Precedent to All Disbursements*)) at least thirty (30) days prior to the effective date thereof, and copies of fully executed amendments within ten (10) days following execution thereof.

(d) No Prohibited Liens. Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien (i) on the Pledged Taxes or the Borrower's or the TIFIA Lender's rights in respect thereof or (ii) on the TIFIA Debt Service Account, the TIFIA Reserve Account, the Revenue Sharing Account or any Construction Account.

(e) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the Project, a substantial portion of the assets included in the Project, or its rights and obligations under any Related Document, unless, in each case, such sale, lease or assignment could not reasonably be expected to result in a Material Adverse Effect.

(f) Organizational Documents; Fiscal Year. The Borrower shall not at any time (i) amend or modify its Organizational Documents (other than any amendment or modification that is of a ministerial nature and that is not adverse to the interests of the TIFIA Lender) without the prior written consent of the TIFIA Lender or (ii) adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the TIFIA Lender.

(g) No Prohibited Business. The Borrower shall not at any time engage in any business or activity other than as authorized by the laws of the State.

(h) No Prohibited Payments. The Borrower shall not, at any time, make any payments from the Pledged Taxes to any party other than in accordance with the priority, and for the specific purposes, in each case, as set forth in Section 8(d) (*Security and Priority; Flow of Funds*).

(i) Transactions with other Governmental Authorities. Except for the transactions expressly contemplated in the Principal Project Contracts and Bond Documents, the Borrower shall not (i) sell or transfer any property or assets constituting part of the Project to, or purchase or acquire any property or assets of, any other Governmental Authority or (ii) otherwise engage in any other transactions in connection with the Project with, any other Governmental Authority (including any other Governmental Authorities of or in the State), the terms and provisions of which are materially adverse to the Borrower or the Project or that could reasonably be expected to result in a Material Adverse Effect.

(j) No Payment with Federal Funds. The Borrower shall not pay any portion of TIFIA Debt Service nor any other amount to the TIFIA Lender or to the Federal Government pursuant to the TIFIA Loan Documents with funds received directly or indirectly from the Federal Government; provided, however, that the Borrower may prepay the TIFIA Loan in whole or in part with the proceeds of a validly issued federal credit instrument pursuant to, and in accordance with, Section 10 (*Prepayment*).

(k) Change in Legal Structure; Mergers and Acquisitions. The Borrower shall not, and shall not agree to:

(i) acquire by purchase or otherwise the business, property or fixed assets of, or equity interests or other evidence of beneficial ownership interests in, any Person, other than purchases or other acquisitions of inventory or materials or spare parts or Capital Expenditures, each in the ordinary course of business in compliance with the annual budget set forth in the Financial Plan most recently submitted to the TIFIA Lender; or

(ii) reorganize, consolidate with or merge into another Person unless (A) such merger or consolidation is with or into another entity that is a public agency and regional transit authority under Chapter 81.112 RCW and Chapter 81.104 RCW, or any successor provisions under the laws of the State, and meets the legal capacity requirements of 49 U.S.C. Chapter 53, and in each case, including reorganization, does not adversely affect or impair to any extent or in any manner (x) the Pledged Taxes or (y) the availability of the Pledged Taxes for the payment and security of the obligations of the Borrower under this Agreement and the other TIFIA Loan Documents; and (B) the Borrower provides to the TIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the TIFIA Lender. The documents authorizing the reorganization, consolidation or merger shall contain a provision, satisfactory in form and substance to the TIFIA Lender, that, following such reorganization, consolidation or merger, the successor will assume, by operation of law or otherwise, the due and punctual performance and observance of all of the covenants, agreements and conditions of this Agreement and the other Related Documents to which the Borrower is a party. In addition, the Borrower shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the TIFIA Lender.

(l) Additional Rights. In the event that the Borrower, directly or indirectly, enters into, consents to, or otherwise grants any Contractual Obligation that provides any counterparty to such Contractual Obligation with rights to accelerate (not including any indirect acceleration of the maturity thereof (i) through reimbursement obligations to the provider of a Credit Facility occurring as a result of a mandatory tender for purchase thereof or (ii) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase thereof) any Bonds or other obligations (the "**Additional Rights**") in violation of Section 16(c)(vi) (*No Lien Extinguishment or Adverse Amendment*), then, to the extent permitted by law, such Additional Rights shall automatically be deemed to be incorporated

into this Agreement and each other TIFIA Loan Document, as applicable, and the TIFIA Lender shall have the benefits of such Additional Rights with respect to the TIFIA Bond. The Borrower shall promptly, upon entering into or otherwise consenting to a Contractual Obligation containing such Additional Rights, notify the TIFIA Lender of such Contractual Obligation and, to the extent permitted by law, enter into an amendment to this Agreement and such other TIFIA Loan Document, as applicable, to include such Additional Rights; provided that the TIFIA Lender shall have the benefit of such Additional Rights, to the extent permitted by law, even if the Borrower fails to provide such notice or an amendment hereto is not executed to include said Additional Rights into this Agreement and such other TIFIA Loan Document, as applicable.

(m) Hedging. Other than (i) interest rate hedging transactions required under Section 15(n) (*Hedging and Variable Rate Bonds*), (ii) swap and hedging transactions the obligations under which are not payable from Pledged Taxes and (iii) Qualified Hedges executed for Variable Rate Bonds in an aggregate principal amount not in excess of the Hedging Threshold, the Borrower shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the TIFIA Lender.

(n) OFAC Compliance.

(i) The Borrower shall not:

(A) violate (1) any applicable Anti-Money Laundering Laws, (2) any applicable Sanctions, (3) any applicable Anti-Corruption Laws or (4) any applicable anti-drug trafficking or anti-terrorism laws, civil or criminal;

(B) use the proceeds of the TIFIA Loan for purposes other than those permitted by applicable law and as otherwise permitted under this Agreement, the other Related Documents and the Principal Project Contracts; or

(C) make a payment, directly or indirectly, to any Principal Project Party that, to the Borrower's knowledge, has violated any of the laws referenced in Section 16(n)(i) (*OFAC Compliance*) or that is a Sanctioned Person.

(ii) The Borrower shall procure that each of its directors, officers, employees, and agents, shall not, directly or indirectly, use the proceeds of the TIFIA Loan or lend to, make any payment to, contribute or otherwise make available any funds to any affiliate, joint venture partner or other Person (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Corruption Laws, (B) in any manner that would result in the violation of any applicable Anti-Money Laundering Laws, (C) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (D) in any other manner that would result in the violation of any Sanctions by any Person (including the Executive Director, the TIFIA Lender or any Principal Project Party).

SECTION 17. Indemnification. To the extent permitted by law, the Borrower shall indemnify the TIFIA Lender and any official, employee, agent, advisor or representative of the

TIFIA Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the TIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided that such Indemnitee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 17 (*Indemnification*) is made shall be entitled, with the Borrower's prior written consent (which shall not be unreasonably withheld or delayed), to compromise or settle any such indemnity claim, and the Borrower further agrees that it shall not, without such Indemnitee's prior written consent, compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 17 (*Indemnification*). Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the TIFIA Loan and the other transactions contemplated hereby and thereby, or the use of the proceeds thereof. All amounts due to any Indemnitee under this Section 17 (*Indemnification*) shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 17 (*Indemnification*) shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 17 (*Indemnification*)) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

SECTION 18. Sale of TIFIA Loan. The TIFIA Lender shall not sell the TIFIA Loan at any time prior to the Substantial Completion Date. After the Substantial Completion Date, the TIFIA Lender may sell the TIFIA Loan to another entity or reoffer the TIFIA Loan into the capital markets only in accordance with the provisions of this Section 18 (*Sale of TIFIA Loan*). Any such sale or reoffering shall be on such terms as the TIFIA Lender shall deem acceptable in its sole discretion. However, in making such sale or reoffering the TIFIA Lender shall not change the terms and conditions of the TIFIA Loan without the prior written consent of the Borrower, which consent shall not be unreasonably withheld. The TIFIA Lender shall provide, at least thirty (30)

days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower of the TIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 18 (*Sale of TIFIA Loan*) shall not (a) obligate the TIFIA Lender to sell or (b) provide the Borrower with any rights or remedies in the event the TIFIA Lender, for any reason, does not sell the TIFIA Loan.

SECTION 19. Events of Default and Remedies.

(a) An "**Event of Default**" shall exist under this Agreement if any of the following occurs:

(i) Payment Default. The Borrower shall fail to pay (A) any of the principal amount of or interest on the TIFIA Bond or the TIFIA Loan (including any TIFIA Debt Service required to have been paid pursuant to the provisions of Section 9 (*Payment of Principal and Interest*), and any mandatory prepayment required pursuant to the provisions of Section 10(a) (*Mandatory Prepayments*)), when and as the payment thereof shall be required to be made under this Agreement or the TIFIA Bond or on the Final Maturity Date or (B) any fee or other amount payable hereunder within five (5) Business Days after such fee or other amount becomes due and payable (each such failure, a "**Payment Default**").

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the TIFIA Bond or any other TIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the TIFIA Lender of written notice thereof or (B) the Borrower's knowledge of such failure; provided, however, that, if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30)-day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either clause (A) or (B) above.

(iii) Development Default. A Development Default shall occur. If so requested by the TIFIA Lender in connection with a Development Default, the Borrower shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to the Borrower under this Agreement.

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the TIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the TIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made (or deemed made) (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no

Event of Default shall be deemed to have occurred under this Section 19(a)(iv) (*Misrepresentation Default*) if and so long as:

(A) such misrepresentation is not intentional;

(B) such misrepresentation is not a misrepresentation in respect of Section 13(h) (*No Debarment*), Section 13(j) (*Compliance with Federal Requirements*), Section 13(p) (*OFAC; Anti-Money Laundering Laws; Anti-Corruption Laws*) or Section 13(bb) (*Patriot Act*);

(C) in the reasonable determination of the TIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect;

(D) in the reasonable determination of the TIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured;

(E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days from the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation; and

(F) the Borrower diligently pursues such cure during such thirty (30) day period.

(v) Acceleration of Senior Obligations or Other Material Indebtedness. Any acceleration (not including any indirect acceleration of the maturity thereof (A) through reimbursement obligations to the provider of a Credit Facility occurring as a result of a mandatory tender for purchase thereof or (B) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase thereof) shall occur of the maturity of any (1) Senior Obligations or (2) any indebtedness or other payment obligations of the Borrower secured by Pledged Taxes in an aggregate principal amount equal to or greater than $1,000,000 that is senior to, or in parity with, the TIFIA Loan in right of payment or in right of security ("**Other Material Indebtedness**"), or the indebtedness specified in clauses (1) and (2) above shall not be paid in full upon the final maturity thereof;

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the Bond Documents or made in or delivered pursuant to any of the documents (the "**Other Loan Documents**") under which any Other Material Indebtedness is created or incurred, shall prove to be false or misleading in any material respect (each an "**Other Indebtedness Misrepresentation Default**"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Bond Documents or Other Loan Documents (as the case may be), and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Bond Documents or the Other Loan Documents (as the case may be) with respect to such default (each an "**Other Indebtedness Covenant Default**"), if the effect of such Other

Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall be to permit the immediate acceleration (not including any indirect acceleration of the maturity thereof (1) through reimbursement obligations to the provider of a Credit Facility occurring as a result of a mandatory tender for purchase thereof or (2) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase thereof) of the maturity of any or all of the Senior Obligations or the Other Material Indebtedness (as the case may be), and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, the Borrower shall have failed to cure Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of the Senior Obligations or such Other Material Indebtedness.

(A) Other than as otherwise provided in this Section 19 (*Events of Default and Remedies*), the Borrower shall default in the timely performance of any covenant, agreement or obligation under any Related Document or any such Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to result in a Material Adverse Effect), and the Borrower shall have failed to cure such default or to obtain an effective written waiver thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this clause if, in the case of any termination of a Principal Project Contract, the Borrower replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (x) is of similar or greater creditworthiness and experience as the counterparty being replaced was at the time such Principal Project Contract was originally executed (or otherwise reasonably acceptable to the TIFIA Lender), (y) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency and (z) is not, at the time of such replacement, in violation of any applicable laws referenced in Section 13(p) (*OFAC; Anti-Money Laundering; Anti-Corruption Laws*), and is in compliance with all applicable laws referenced in Section 13(q) (*Compliance with Law*) and Section 13(r) (*Environmental Matters*), (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced.

(vii) Judgments. One or more judgments (A) for the payment of money in an aggregate amount in excess of $2,000,000 (inflated annually by CPI) that are payable from Pledged Taxes and are not otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage) or (B) that would reasonably be expected to result in a Material Adverse Effect, shall, in either case, be rendered against the Borrower, and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally

taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment.

(viii) Failure to Maintain Existence. The Borrower shall fail to maintain its existence as a public agency and regional transit authority under Chapter 81.112 RCW and Chapter 81.104 RCW or any successor provisions under the laws of the State, unless at or prior to the time the Borrower ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law and has succeeded to the assets of the Borrower and has assumed all of the obligations of the Borrower under the TIFIA Loan Documents and the Bond Documents, including the payment of all obligations in respect of the Bonds.

(ix) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to (A) the Borrower or (B) a Principal Project Party; provided that (1) a Bankruptcy Related Event in connection with such Principal Project Party shall not constitute an Event of Default if the Borrower shall have promptly provided evidence satisfactory to the TIFIA Lender demonstrating that a substitute Principal Project Party has sufficient financial resources and operating expertise to complete such Principal Project Contract to which such Principal Project Party was a party in accordance with the applicable Construction Schedule, and (2) after Substantial Completion shall have occurred, the occurrence of a Bankruptcy Related Event in connection with any Principal Project Party shall not constitute an Event of Default if at the time of such occurrence, (I) no claim against any warranty under the applicable Principal Project Contract to which such Principal Project Party is a party exists or remains outstanding, or (II) the Borrower promptly provides evidence satisfactory to the TIFIA Lender showing that the Borrower has (x) sufficient moneys to correct any defect or nonconforming work of such Principal Project Party, and (y) a plan to carry out such works referred to in clause (x) hereof.

(x) Project Abandonment. The Borrower shall abandon the Project.

(xi) Cessation of Operations. Operation of the Project shall cease for a continuous period of not less than thirty (30) days unless (A) such cessation of operations occurs by reason of an Uncontrollable Force; (B) the Borrower's repairs or required improvements to operate the Project cannot be completed within thirty (30) days; (C) the Borrower shall be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the Borrower is entitled to recover, substantially all property damage expenses; and (D) the Borrower continues to collect the Pledged Taxes in amounts sufficient to cover payments of all TIFIA Debt Service and costs and expenses of the Borrower during such cessation of operations; provided, however, that the Project shall not be deemed to have ceased operations for the period that the Borrower operates buses or other public transit service along the route served by the Project and is exercising reasonable diligence to resume full light rail operations as soon as practicable but not later than 180 days.

(xii) TIFIA Loan Documents. (A) This Agreement or (B) any other TIFIA Loan Document, in each case, ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable,

illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of this Agreement or such other TIFIA Loan Document or denies it has any further liability under this Agreement or such other TIFIA Loan Document, or purports to revoke, terminate or rescind this Agreement or such other TIFIA Loan Document.

(b) Upon the occurrence of an Event of Default described in clause (ix)(A) of Section 19(a) (*Events of Default and Remedies*), all obligations of the TIFIA Lender under the TIFIA Loan Agreement with respect to the disbursement of any undisbursed amounts of the TIFIA Loan related thereto shall immediately be deemed terminated.

(c) Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Borrower, may, in its sole discretion, suspend or terminate all of its obligations under the TIFIA Loan Agreements with respect to the disbursement of any undisbursed amounts of the TIFIA Loan.

(d) Whenever any Event of Default shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under the TIFIA Bond or the TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies as a secured creditor under the Uniform Commercial Code, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by the Borrower under the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the TIFIA Bond or the other TIFIA Loan Documents.

(e) Whenever any Event of Default shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Federal Government program administered by USDOT and notify other departments and agencies of such Event of Default.

(f) No action taken pursuant to this Section 19 (*Events of Default and Remedies*) shall relieve the Borrower from its obligations pursuant to this Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action.

(g) (i) In addition to the remedies otherwise provided in this Section 19 (*Events of Default and Remedies*), so long as an Event of Default shall have occurred and be continuing, the TIFIA Lender, on behalf of itself and the owners of any Other Second Tier Junior Obligations then outstanding, may appoint a Bondowners' Trustee by written notice delivered to the Bondowners' Trustee, the Borrower and the owners of such Other Second Tier Junior Obligations. Any Bondowners' Trustee appointed hereunder shall be a bank or trust company organized under the laws of the State or the State of New York or shall be a national banking association. The TIFIA Lender, on behalf of itself and the owners of the Other Second Tier Junior Obligations then outstanding, may remove the entity then acting as Bondowners' Trustee at any time, and may appoint a successor Bondowners' Trustee, in each case by written notice delivered

to the Bondowners' Trustee, the Borrower and the owners of the Other Second Tier Junior Obligations. The Bondowners' Trustee appointed in the manner provided herein, and each successor thereto, is hereby declared to be a trustee for the benefit of the TIFIA Lender, as owner of the TIFIA Bond and the Other TIFIA Bonds, and of the owners of the Other Second Tier Junior Obligations (to the extent set forth in any Series Resolution authorizing the Other Second Tier Junior Obligations) and is empowered to exercise all the rights and powers conferred herein on the Bondowners' Trustee.

(ii) The Bondowners' Trustee may, upon the occurrence of an Event of Default and during the continuance thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of the TIFIA Lender and the owners of the Other Second Tier Junior Obligations to collect any amounts due and owing by the Borrower and pledged to the TIFIA Bond, the Other TIFIA Bonds and the Other Second Tier Junior Obligations, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this Agreement or any other TIFIA Loan Document; provided that upon the occurrence of an Event of Default, payment of the TIFIA Bond, the Other TIFIA Bonds and the Other Second Tier Junior Obligations shall not be subject to acceleration (not including any indirect acceleration of the maturity thereof (A) through reimbursement obligations to the provider of a Credit Facility occurring as a result of a mandatory tender for purchase thereof or (B) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase thereof) except, as to the TIFIA Bond, to the extent contemplated by Section 16(l) (*Additional Rights*) and as to the Other TIFIA Bonds, to the extent contemplated by the applicable Existing TIFIA Loan Documents related thereto. For the avoidance of doubt, as used in this clause (ii) and in Section 16(l) (*Additional Rights*), "acceleration" does not include any indirect acceleration of the maturity of Second Tier Junior Obligations (i) through reimbursement obligations to the provider of a Credit Facility occurring as a result of a mandatory tender for purchase thereof or (ii) as a result of revised amortization requirements and/or increased interest rates following an optional or mandatory tender for purchase thereof. Any action, suit or other proceedings instituted by the Bondowners' Trustee shall be brought in its name as trustee for the TIFIA Lender and the owners of the Other Second Tier Junior Obligations and all such rights of action upon or under the TIFIA Bond or the provisions of this Agreement and the other TIFIA Loan Documents may be enforced by the Bondowners' Trustee without the possession of the TIFIA Bond and without the production of the same at any trial or proceedings relative thereto except where otherwise required by applicable law. The TIFIA Lender, by taking and holding the TIFIA Bond, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the TIFIA Lender, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of the TIFIA Bond; to execute any paper or documents for the receipt of such money, and to do all acts with respect thereto that the TIFIA Lender might have done in person. Nothing in this Section 19(g) (*Events of Default and Remedies*) shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of the TIFIA Lender, any plan or reorganization or adjustment affecting the TIFIA Bond or any right of the TIFIA Lender, or to authorize or empower the Bondowners' Trustee to vote the claims of the TIFIA Lender in any

receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the Borrower shall be a party.

(iii) The Borrower agrees that if an Event of Default shall have occurred and be continuing, the books of record and account of the Borrower shall at all times be subject to the inspection and use of the Bondowners' Trustee and the TIFIA Lender. The Borrower agrees that if an Event of Default shall have occurred and be continuing, the Borrower will continue to account, as a trustee of an express trust, for all Pledged Taxes and other accounts pledged under the TIFIA Loan Documents (including the TIFIA Debt Service Account, the TIFIA Reserve Account, the Revenue Sharing Account and each Construction Account).

(iv) The Borrower agrees that if an Event of Default shall have occurred and shall not have been remedied, the Borrower, upon demand of the Bondowners' Trustee, shall pay over to the Bondowners' Trustee (A) forthwith, all amounts in the TIFIA Debt Service Account, TIFIA Reserve Account, and any project account created for the deposit of proceeds of the TIFIA Loan, which amounts shall be held and applied solely for the benefit of the TIFIA Lender, and (B) as promptly as practicable after receipt thereof, all Pledged Taxes subsequently received by the Borrower and pledged under the TIFIA Loan Documents, subject to the prior charge thereon in favor of the owners of the Prior Bonds, the Parity Bonds and the First Tier Junior Obligations, and further subject to any deposits and payments required to be made under Section 2 of the Prior Bond Resolution and Section 4 of the Parity Bond Resolution. Upon the occurrence and during the continuation of an Event of Default, the Pledged Taxes and other funds received by the Bondowners' Trustee pursuant to the provisions of the preceding paragraph shall be applied by the Bondowners' Trustee first, to the payment of the reasonable and proper charges, expenses and liabilities paid or incurred by the Bondowners' Trustee and second, in accordance with the provisions of Section 8 (*Security and Priority; Flow of Funds*). In the event that at any time the funds held by the Bondowners' Trustee shall be insufficient for the payment of the principal of, premium, if any, and interest then due on the TIFIA Bond, the Other TIFIA Bonds and the Other Second Tier Junior Obligations, such funds and all Pledged Taxes received or collected for the benefit or for the account of the TIFIA Lender and the owners of the Other Second Tier Junior Obligations by the Bondowners' Trustee shall be applied as follows (provided, that all amounts held by the Bondowners' Trustee derived from the TIFIA Debt Service Account, the TIFIA Reserve Account and any project fund created for the deposit of proceeds of the TIFIA Loan, together with the proceeds of the investment thereof, shall be applied solely to pay TIFIA Debt Service on the TIFIA Loan and debt service in respect of the Other TIFIA Bonds as required under the applicable Existing TIFIA Loan Documents related thereto):

> First, to the payment to the TIFIA Lender (in respect of the TIFIA Loan and the Other TIFIA Bonds) and the owners of the Other Second Tier Junior Obligations of all installments of interest then due (including, without limitation, interest that is required to be capitalized in accordance with the terms of this Agreement, or, with respect to the Other TIFIA Bonds, in accordance with the applicable Existing TIFIA Loan Documents related thereto) in the order of the maturity of such installments, earliest maturities first, and, if the amount available shall not be sufficient to pay in

full any installment or installments or interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without any discrimination or preference; and

Second, to the payment to the TIFIA Lender (in respect of the TIFIA Loan and the Other TIFIA Bonds) and the owners of the Other Second Tier Junior Obligations of the unpaid principal (excluding the portion of the unpaid principal constituting capitalized interest to the extent included as interest then due under clause First above) and premium, if any, of the TIFIA Bond, the Other TIFIA Bonds and the Other Second Tier Junior Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, earliest maturities first, and, if the amount available shall not be sufficient to pay in full the amount due on any date, then to the payment thereof ratably, according to the amounts of principal and premium, if any, due on such date, without any discrimination or preference.

(v) If and whenever all outstanding principal of, premium, if any, and accrued and unpaid interest on the TIFIA Bond, the Other TIFIA Bonds and the Other Second Tier Junior Obligations which shall then be payable, together with the reasonable and proper charges, expenses and liabilities of the Bondowners' Trustee, the TIFIA Lender and the owners of the Other Second Tier Junior Obligations, their respective agents, consultants and attorneys, and all other sums payable by the Borrower under this Agreement, the other TIFIA Loan Documents, the Existing TIFIA Loan Documents and each Series Resolution authorizing the Other Second Tier Junior Obligations, shall either be paid in full in cash by or for the account of the Borrower, or provision satisfactory to the Bondowners' Trustee shall be made for such payment, provided that if any and all Events of Default that may have occurred under the TIFIA Bond and the TIFIA Loan Documents and any and all events of default under each Series Resolution authorizing the Other Second Tier Junior Obligations shall have been waived in writing in accordance with the TIFIA Loan Document or each such Series Resolution authorizing the Other Second Tier Junior Obligations, as applicable, then the Bondowners' Trustee shall pay over to the Borrower all money then remaining unexpended and held by the Bondowners' Trustee. All such funds shall thereafter be applied as provided in this Agreement and each Series Resolution authorizing the Other Second Tier Junior Obligations. No such payment over to the Borrower by the Bondowners' Trustee or resumption of the application of Pledged Taxes as provided in this Agreement shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(vi) No remedy granted in this Agreement to the Bondowners' Trustee or the TIFIA Lender is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or existing at law or in equity on or after the date of this Agreement.

SECTION 20. Accounting and Audit Procedures; Inspections; Reports and Records.

(a) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of

Pledged Taxes, and TIFIA Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the TIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) So long as the TIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the TIFIA Loan shall have been paid in full, the TIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any of the locations or properties of the Borrower, to examine its books of account and records, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the TIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 20(b) (*Accounting and Audit Procedures; Inspections; Reports and Records*) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the TIFIA Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the TIFIA Lender in connection with the TIFIA Lender's exercise of its rights under this Section 20(b) (*Accounting and Audit Procedures; Inspections; Reports and Records*) at any time when an Event of Default shall have occurred and be continuing.

(c) The Borrower shall maintain and retain all files relating to the Project, the TIFIA Loan and Pledged Taxes until five (5) years after the later of the date on which (i) all rights and duties hereunder and under the TIFIA Bond (including payments) have been fulfilled and any required audits have been performed and (ii) any litigation relating to the Project, the TIFIA Loan, Pledged Taxes, this Agreement or any other TIFIA Loan Document is finally resolved or, if the TIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the TIFIA Lender and the Borrower. The Borrower shall provide to the TIFIA Lender in a timely manner all records and documentation relating to the Project or Pledged Taxes that the TIFIA Lender may reasonably request from time to time.

(d) The Borrower shall provide to the TIFIA Lender, promptly after the sending or receipt thereof, copies of (i) final ratings presentations sent to, and any notices, reports or other written materials (other than those that are ministerial in nature) received from, any Nationally Recognized Statistical Rating Organization that has provided, or is being requested to provide, a rating with respect to the Project or on any indebtedness of the Borrower that is or will be secured by or paid from Pledged Taxes, and (ii) all notices and other written communications, other than those that are non-substantive or ministerial in nature, received by it from the trustee or any bondholder under the Bond Documents, and (iii) all reports, notices and other written materials, other than those that are non-substantive or ministerial in nature, required to be sent to the trustee or any bondholder under the Bond Documents, including all such notices, other than those that are non-substantive or ministerial in nature, relating to the Bonds or any of the Principal Project Contracts; unless, in each case, the TIFIA Lender notifies the Borrower that any such reports, notices and/or other written materials no longer need to be provided.

(e) The Borrower shall have a single or program-specific audit conducted in accordance with 2 CFR Part 200 Subpart F and 31 U.S.C. § 7502 in 2021 and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 CFR § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the TIFIA Lender, the USDOT, or designees thereof, pursuant to 49 CFR § 80.19, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the TIFIA Loan, to the Secretary, or the designee thereof, for any such project or programmatic audit.

SECTION 21. Financial Plan, Statements, and Reports.

(a) The Borrower shall provide to the TIFIA Lender and the FTA Regional Office, within sixty (60) days after the Effective Date and annually thereafter not later than ninety (90) days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within sixty (60) days after the Effective Date should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model.

(i) The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the "Guide for Prospective Financial Information" of the American Institute of Certified Public Accounts and shall meet the FTA Project Management Oversight Regulations, as amended from time to time.

(ii) The Financial Plan shall include: (A) a certificate signed by the Borrower's Authorized Representative to the effect that the Financial Plan, including the assumptions and supporting documentation, is accurate and reasonable to the best of the Borrower's knowledge and belief; (B) a certificate signed by the Borrower's Authorized Representative demonstrating that annual projected Pledged Taxes shall be sufficient to meet the Loan Amortization Schedule; (C) an electronic copy of an Updated Base Case Financial Model for the period from inception thereof through the Final Maturity Date of the TIFIA Loan, in substantially the form heretofore provided to the TIFIA Lender, based upon assumptions and projections with respect to the Pledged Taxes, expenses and other financial aspects of the Project which shall reflect the prior experience and current status of the Project, and the expectations of the Borrower with respect to the Project, as of the most recent practicable date prior to the delivery of such Updated Base Case Financial Model; and (D) a certificate of the Borrower's Authorized Representative indicating whether or not a Revenue Sharing Trigger Event has occurred.

(iii) For the period through Substantial Completion, the Financial Plan shall: (A) provide the current estimate of the Total Project Costs, the Eligible Project Costs and the remaining cost to complete the Project, identify any significant cost changes since the previous Financial Plan delivered in connection with the Project, discuss reasons for and implications of the cost changes, and include a summary table showing the history of Total Project Costs by major activity or Standard Cost Category since the latest Base Case Financial Model delivered to the TIFIA Lender and since the preceding Financial Plan; (B) provide the current schedule and implementation plan for completing the Project, including

the Projected Substantial Completion Date; (C) identify major milestones for each phase of the Project and compare current milestone dates with milestone dates in the latest Base Case Financial Model delivered to the TIFIA Lender and since the preceding Financial Plan, and discuss reasons for changes in such milestones; (D) provide current estimates of sources and uses of funds for the Project, identify any significant funding changes since the preceding Financial Plan, discuss reasons for and implications of the funding changes, and include a summary table showing the history of funding for the Project since the latest Base Case Financial Model delivered to the TIFIA Lender and since the preceding Financial Plan; (E) provide an updated cash flow schedule showing annual cash needs versus available revenue and funding to meet those needs and identify any potential revenue and funding shortfalls, and addressing contingency measures that will or may be taken to address any shortfalls; (F) based on the updated cash flow schedule, provide projected debt service coverage ratios for any Prior Bonds, Parity Bonds, First Tier Junior Obligations, other Second Tier Junior Obligations and the TIFIA Bond through the Final Maturity Date; (G) provide cost containment strategies and risk mitigation plans that have been or may be implemented to address factors that are affecting or could affect the scheduled completion or financial viability of the Project; (H) provide the total value of approved changes in design or scope of the Project, and provide a listing of each individual change valued at $5,000,000 or more, setting forth the rationale or need for the proposed change and describing the impact of such change on the Project; (I) contain, in form and substance satisfactory to the TIFIA Lender, a written narrative report on the progress of design, permitting, acquisition and construction of the Project since the latest Base Case Financial Model delivered to the TIFIA Lender and since the preceding Financial Plan, describing in reasonable detail all significant activities concerning the status of the Project, including any adjustment to the Projected Substantial Completion Date and any material matters that may affect the future performance of the Borrower's obligations under this Agreement and the causes thereof; and (J) comply in all respects with FTA Project Management Oversight Regulations.

(iv) For the period following Substantial Completion until repayment of the TIFIA Loan in full, the Financial Plan shall: (A) provide an updated cash flow schedule showing annual cash inflows (Pledged Taxes, interest and other income) and outflows (Operations and Maintenance Expenses, Capital Expenditures, Annual Bond Debt Service for all Bonds, TIFIA Debt Service for the TIFIA Loan (whether or not required to be paid pursuant to this Agreement), replenishment of reserves and other uses) with a narrative identifying any potential revenue or funding shortfall and discussing contingency measures that will or may be taken to address any shortfalls; (B) provide current and estimated amounts of Pledged Taxes received and the amounts deposited into each of the accounts and subaccounts established under the TIFIA Refinancing Resolution and the amount disbursed from such funds and accounts and the balance in each of the funds and accounts; (C) provide an updated schedule of actual and projected Pledged Taxes, showing actual and projected debt service coverage ratios for the Prior Bonds, Parity Bonds, First Tier Junior Obligations, the TIFIA Bond and other Second Tier Junior Obligations; and (D) include a written narrative report explaining any variances in costs or revenues since the latest Base Case Financial Model delivered to the TIFIA Lender and the preceding Financial Plan and describing in reasonable detail any material matters that may affect the

future performance of the Borrower's obligations under this Agreement and the causes thereof to include operational contracts and third-party transactions.

(b) For the period through the Substantial Completion Date, the Borrower shall provide the TIFIA Lender with written notification at least thirty (30) days prior to instituting any increase or decrease to the aggregate Total Project Costs in an amount equal to or greater than ten percent (10%) of the Total Project Costs, which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on the capital costs and operating costs of the Project, and the Financial Plan. The Borrower's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project and does not materially impair the TIFIA Lender's security or the Borrower's ability to comply with its obligations under the Related Documents, including any financial ratios or covenants included therein.

(c) The Borrower shall furnish to the TIFIA Lender:

(i) As soon as available, but no later than sixty (60) days after the end of the first, second and third quarterly period of each Borrower Fiscal Year, an unaudited statement of net position of the Borrower as of the end of such period and the related unaudited statement of revenues, expenses and changes in net position of the Borrower for such period and for the portion of the Borrower Fiscal Year through the end of such period, setting forth in each case in comparative form the figures for the previous period, certified by the Borrower's Chief Executive Officer or Chief Financial Officer, fairly stating in all material respects the financial condition of the Borrower as at the end of such period and the results of its operations for such period (subject to normal year-end audit adjustments); and

(ii) As soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, a copy of the audited statement of net position of the Borrower as of the end of such Borrower Fiscal Year and the related audited statement of revenues, expenses and changes in net position and statement of cash flow of the Borrower for such Borrower Fiscal Year, setting forth in each case in comparative form the figures for the previous Borrower Fiscal Year, certified without a "going concern" or like qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and which is reasonably acceptable to the TIFIA Lender and the FTA Regional Office.

(d) All such Financial Statements with respect to the Borrower shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(e) The Borrower shall furnish to the TIFIA Lender, together with each delivery of annual audited or interim unaudited Financial Statements of the Borrower pursuant to Section 21(c) (*Financial Plan, Statements, and Reports*), a certificate signed by the Borrower's Chief Executive Officer or Chief Financial Officer, stating whether or not, to the Borrower's knowledge,

during the quarterly or annual period (as the case may be) covered by such Financial Statements, there occurred any Event of Default or event which, with notice or lapse of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

(f) On each Ratio Calculation Date after the initial date on which debt service is required to be paid in respect of the TIFIA Loan, the Borrower shall furnish to the TIFIA Lender a certificate, in form and substance satisfactory to the TIFIA Lender and signed by the Borrower's Authorized Representative, certifying to the Debt Service Coverage Ratio and the Revenue Coverage Ratio for the Calculation Period ending on the preceding Semi-Annual Payment Date.

SECTION 22. Project Oversight and Monitoring.

(a) Project Development, Design and Construction. The TIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development, including environmental compliance, design, right-of-way acquisition and construction of the Project. Oversight of the development, environmental compliance, design, right-of-way acquisition and construction monitoring of the Project shall be conducted pursuant to the FTA Project Management Oversight Regulations, and related published guidance, which may be amended from time to time. The Borrower agrees to cooperate in good faith with the TIFIA Lender and FTA Regional Office in the conduct of such monitoring by promptly providing the TIFIA Lender and the FTA Regional Office with such reports, documentation or other information as shall be requested by the TIFIA Lender, and/or FTA Regional Office or its agents, including any independent engineer reports, documentation or information.

(b) Reporting. The Borrower shall furnish:

(i) Monthly Progress Report. To the TIFIA Lender, for each calendar month during the Construction Period, a report executed by a Borrower's Authorized Representative, on or before the 15th day of the second (2nd) calendar month succeeding such calendar month covered by the report, that (A) specifies the amount of Total Project Costs expended since the Effective Date as well as during the calendar month covered by such report and the amount of Total Project Costs estimated to be required to complete the Project, (B) provides a demonstration that the Borrower has sufficient funds (including funds on hand and funds obtainable without undue delay or conditions that cannot reasonably be satisfied by the Borrower as and when such funds are needed) to complete the Project, (C) provides an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule, (D) reviews the status of Principal Project Contracts, (E) specifies the Projected Substantial Completion Date specified in the Financial Plan most recently submitted to the TIFIA Lender, (F) provides a detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems, (G)

specifies the delivery status of major equipment and the effect, if any, that the anticipated delivery dates of such equipment has on the overall Construction Schedule, (H) specifies any proposed or pending change orders, (I) specifies any material changes or deviations from the Borrower's land procurement plans or schedule, (J) provides a discussion or analysis of such other matters related to the Project as the TIFIA Lender may reasonably request and (K) provides a revised Project Budget updated through the end of the preceding calendar month. The Borrower shall respond, and use commercially reasonable efforts to cause the Construction Contractors to respond, to the TIFIA Lender's inquiries regarding such report, the construction of the Project and any such Construction Contractor's performance of its obligations under the Principal Construction Contract to which such Construction Contractor is a party.

(ii) Construction Contractor Reports. To the TIFIA Lender and the FTA Regional Office, upon request, from and after the Effective Date and through the term of the Construction Period, promptly after receipt thereof (but in no event later than thirty (30) days after such receipt), a copy of each report delivered by each Construction Contractor to the Borrower pursuant to the Construction Contract to which such Construction Contractor is a party.

(iii) Recovery Plan. To the TIFIA Lender and the FTA Regional Office, in the event that the monthly construction progress report described in clause (i) above or any progress report issued pursuant to the FTA Project Management Oversight Regulations indicates either a failure to maintain the Construction Schedule, including a failure to achieve the Substantial Completion by the Projected Substantial Completion Date or actual or projected Eligible Project Costs overruns in excess of five percent (5%) of the Eligible Project Costs reflected in the Project Budget, or both, then the Borrower shall notify the FTA Regional Office and the TIFIA Lender of such failure and shall, upon request by the FTA Regional Office or the TIFIA Lender, as applicable, provide the TIFIA Lender and FTA Regional Office, within thirty (30) days of receipt of such request, a Recovery Plan for review and acceptance by the TIFIA Lender and the FTA Regional Office. Once the Recovery Plan is accepted in accordance with the terms hereof, the Borrower shall make a good faith effort to implement the Recovery Plan and shall report on progress in the monthly progress report delivered pursuant to clause (i) above and shall document results in the annual Financial Plan.

(iv) Requested Information. The Borrower shall, at any time while the TIFIA Loan remains outstanding, promptly deliver to the TIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Project or the Pledged Taxes as the TIFIA Lender may from time to time reasonably request, including copies of agreements or documentation related thereto.

(c) Project Operations. For the period following the Substantial Completion Date, the TIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and, as the TIFIA Lender may request from time to time, to receive reporting on the operation and management of the Project and copies of any contracts relating to the operation, maintenance and safety services for the Project. The TIFIA Lender agrees

to consult with the FTA Regional Office prior to requiring reporting on the operation and management of the Project. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation, or other information requested by the TIFIA Lender. The TIFIA Lender has the right, in its sole discretion, to retain a financial oversight advisor in accordance with applicable federal procurement laws, under a contract with the TIFIA Lender, to carry out the provisions of this Section and the full cost of such monitoring shall be borne by the Borrower. Any costs incurred by the TIFIA Lender for such monitoring, including the cost of any financial oversight advisor, shall be promptly reimbursed by the Borrower upon demand therefor in the form of an invoice reasonably acceptable to the Borrower.

SECTION 23. No Personal Recourse. No official, employee or agent of the TIFIA Lender or the Borrower or any Person executing this Agreement or any of the other TIFIA Loan Documents shall be personally liable on this Agreement or such other TIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

SECTION 24. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the Federal Government, the TIFIA Lender or FTA, solely by virtue of the TIFIA Loan, and the Borrower agrees to indemnify and hold the TIFIA Lender, FTA, the Servicer (if any), the Executive Director and the Federal Government harmless, to the extent permitted by law and in accordance with Section 17 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the TIFIA Loan, and that no third party creditor or creditors of the Borrower shall have any right against the TIFIA Lender with respect to the TIFIA Loan made pursuant to this Agreement.

SECTION 25. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating the Chief Executive Officer or Chief Financial Officer of the Borrower (or such other Person or Persons as may be designated from time to time by resolution of the Board) to act on the Borrower's behalf pursuant to a written certificate furnished to the TIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

SECTION 26. TIFIA Lender's Authorized Representative.

(a) The TIFIA Lender shall at all times have appointed the TIFIA Lender's Authorized Representative by designating such Person or Persons from time to time to act on the TIFIA Lender's behalf pursuant to a written certificate furnished to the Borrower and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the TIFIA Lender.

(b) Pursuant to the delegation of authority, dated July 20, 2016, from the Secretary to the Under Secretary of Transportation for Policy, the further delegation of authority, dated July 20, 2016, from the Under Secretary of Transportation for Policy to the Executive Director of the Build America Bureau, and the further delegation of authority, dated August 31, 2016 (the "**Delegation**") by the Executive Director of the Build America Bureau to the Director of the Credit Office of the Build America Bureau, the Director of the Credit Office of the Build America Bureau has been delegated the authority to enter into contracts and sign all contractual

and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act, including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the TIFIA Lender. Pursuant to the Delegation, the Director of the Credit Office of the Build America Bureau may act and serve as the TIFIA Lender's Authorized Representative under this Agreement, in addition to the Executive Director of the Build America Bureau for the purposes set forth herein.

SECTION 27. Servicer. The TIFIA Lender may from time to time designate an entity or entities to perform, or assist the TIFIA Lender in performing, the duties of the Servicer or specified duties of the TIFIA Lender under this Agreement and the TIFIA Bond. The TIFIA Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the TIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the TIFIA Lender shall have delegated to such Servicer. The TIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the TIFIA Bond. The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

SECTION 28. Fees and Expenses.

(a) Commencing in the Federal Fiscal Year ("**FFY**") 2021 and continuing thereafter each year throughout the term of this Agreement, the Borrower shall pay to the TIFIA Lender a loan servicing fee on or before the fifteenth (15^{th}) of November. The TIFIA Lender shall establish the amount of this annual fee, and the TIFIA Lender or the Servicer, if any, shall notify the Borrower of the amount, at least thirty (30) days before payment is due.

(b) In establishing the amount of the fee, the TIFIA Lender will adjust the previous year's base amount in proportion to the percentage change in CPI. For the FFY 2021 calculation, the TIFIA Lender will use the FFY 2021 base amount of $13,873.84, which applies to other TIFIA borrowers, as the previous year's base amount. The TIFIA Lender will calculate the percentage change in the CPI, before seasonal adjustment, from August of the previous year to August of the current year and will then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender shall round the current year's base amount using increments of $500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

(c) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender on demand from time to time, within thirty (30) days after receipt of any invoice from the TIFIA Lender, for any and all fees, costs, charges and expenses incurred by it (including the reasonable fees, costs and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors, such reasonableness determined in accordance with Part 31 of the Federal Acquisition Regulation) in connection with the negotiation, preparation, execution, delivery, administration and performance of this Agreement and the other

TIFIA Loan Documents and the transactions hereby and thereby contemplated, including reasonable attorneys' and engineers' fees and professional costs, including all such fees, costs and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other TIFIA Loan Documents;

(ii) any amendment, modification or requested amendment or modification of, waiver, consent or requested waiver or consent under or with respect to, or the protection or preservation of any right or claim under or with respect to, this Agreement, any other Related Document, or the Pledged Taxes, or advice in connection with the administration, preservation in full force and effect and enforcement of this Agreement or any other Related Document or the rights of the TIFIA Lender hereunder or thereunder;

(iii) any ongoing oversight and monitoring of the TIFIA Loan, the Borrower or the Project by the TIFIA Lender as provided for herein; and

(iv) any work-out, restructuring or similar arrangement of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents, including during the pendency of one or more Events of Default.

The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the other TIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring or similar arrangement.

SECTION 29. Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

SECTION 30. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

SECTION 31. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 32. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest herein may be assigned, delegated or transferred by the Borrower without the prior written consent of the TIFIA Lender.

SECTION 33. Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and

every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 34. Delay or Omission Not Waiver. No delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the TIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender.

SECTION 35. Counterparts; Electronic Signatures. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement or of any document or instrument delivered in connection herewith in accordance with Section 36 (*Notices; Payment Instructions*) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable. Each party acknowledges and agrees that it may execute this Agreement, and any amendment, modification or waiver hereto, using Electronic Signatures. Such Electronic Signatures are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

SECTION 36. Notices; Payment Instructions. Notices hereunder and under each other TIFIA Loan Document shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to TIFIA Lender:

Build America Bureau
United States Department of Transportation
Room W12-464
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Attention: Director, Office of Credit Programs
Email: BureauOversight@dot.gov

with copies to:

Federal Transit Administration
FTA Region X Office
Jackson Federal Building
915 Second Avenue
Suite 3142
Seattle, WA 98174-1002
Attention: Ms. Linda Gehrke, Regional Administrator
Email: Linda.Gehrke@dot.gov

If to Borrower: Sound Transit
401 S. Jackson Street
Seattle, Washington 98104
Attention: Treasurer

Unless otherwise instructed by the TIFIA Lender's Authorized Representative, all notices to the TIFIA Lender or the FTA Regional Office should be made by email to the email address noted above for the TIFIA Lender and the FTA Regional Office, respectively. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative, with respect to notices to the Borrower, or by the TIFIA Lender's Authorized Representative, with respect to notices to the TIFIA Lender or the Servicer. The Borrower shall make any payments hereunder or under the TIFIA Bond in accordance Section 9(e) (*Manner of Payment*) and the payment instructions hereafter provided by the TIFIA Lender's Authorized Representative, as modified from time to time by the TIFIA Lender. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 36 (*Notices; Payment Instructions*) (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 36 (*Notices; Payment Instructions*) (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

SECTION 37. Effectiveness. This Agreement shall be effective on the Effective Date.

SECTION 38. Termination. This Agreement shall terminate upon the irrevocable payment in full in cash by the Borrower of the Outstanding TIFIA Loan Balance, together with all accrued interest and fees with respect thereto; provided, however, that the indemnification requirements of Section 17 (*Indemnification*), the reporting and record keeping requirements of Section 20(b) and (c) (*Accounting and Audit Procedures; Inspections; Reports and Records*) and the payment requirements of Section 28 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

SECTION 39. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[*The remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CENTRAL PUGET SOUND
REGIONAL TRANSIT AUTHORITY

By: _____
Name: Tracy Butler
Title: Chief Financial Officer

UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Executive Director of the Build America Bureau

By: _____

Name: Morteza Farajian
Title: Executive Director, Build America Bureau

SCHEDULE I

PROJECT BUDGET

SUMMARY OF PROJECTED SOURCES OF FUNDS FOR THE PROJECT

Sources of Funds	Project Budget ($ '000)
Cash Balances & Net Tax Revenues	1,282,226
Grant Revenue - Federal Local	982,021
Bond Proceeds	114,601
TIFIA Proceeds	629,472
Total	**3,008,320**

SUMMARY OF ELIGIBLE PROJECT COSTS BY STANDARD COST CATEGORY ("SCC") FOR THE PROJECT IN YEAR OF EXPENDITURE DOLLARS

SCC Category	FFGA Baseline Budget with Contingency (YOE$ '000)
10 - GUIDEWAY & TRACK	522,972
20 - STATIONS	318,885
30 – SUPPORT FACILITIES: YARDS, SHOPS, ADMIN BLDGS	5,323
40 - SITEWORK & SPECIAL CONDITIONS	542,533
50 - SYSTEMS	153,765
60 - ROW	341,565
70 - VEHICLES	99,220
80 - PROFESSIONAL SERVICES	386,632
90 - UNALLOCATED CONTINGENCY	637,425
Total	**3,008,320**

SCHEDULE II

CONSTRUCTION SCHEDULE

FEDERAL WAY LINK EXTENSION MILESTONES	FINISH
NEPA Record of Decision (ROD) from FTA	March 2017
Preliminary Engineering	September 2017
Design-Build Contract Awarded	June 2019
Complete Right of Way Acquisition	June 2021
Light rail testing, commissioning and start-up	April 2024
Light rail Pre-Revenue service	June 2024
Light rail revenue service	December 2024

SCHEDULE III

PRINCIPAL PROJECT CONTRACTS

Part A:

DOR Agreement

DOL Agreement

IGA Agreement

Part B:

Contract No.	Contract Title	Contractor	Contract Award	Total Award as of July 2021 (includes added change orders)	Scheduled Completion
RTA/AE-0008-17	Design Build Project Management Services	South County Transit Partners	3/2/2018	97,207,858	12/31/2024
RTA/CN-0009-17	Design Build Contract	Kiewit Infrastructure West	5/30/2019	1,357,115,964	4/19/2024
RTA/AE-0044-12	Architecture and Engineering Services	HDR Engineering Inc.	6/16/2012	52,278,359	12/31/2021
RTA/RP-0116-15	Light Rail Vehicle Procurement	Siemens Industry Inc.	9/27/2016	652,099,873*	2/26/2024

*Only a portion of RTA/RP 0116-15 is designated for Federal Way Link Extension Project (20 of 152 vehicles).

SCHEDULE 13(f)

LIST OF LITIGATION MATTERS

1. On July 15, 2021, the Borrower was served with a Complaint in *Joshua Penner et al. v. Central Puget Sound Regional Transit Authority et al.* ("Penner"), which challenged both the Sound Move Motor Vehicle Tax and the ST3 Motor Vehicle Tax. The Penner Plaintiffs are represented by the same attorneys as the Plaintiffs in *Taylor Black et al. v. Central Puget Sound Regional Transit Authority et al.* ("Black II"), and the Penner Complaint is substantively identical to the amended Black II Complaint.

The Borrower does not believe the Penner Complaint could reasonably be expected to result in a Material Adverse Effect or could reasonably be expected to adversely affect the Borrower's ability to receive Pledged Taxes in amounts sufficient to meet the financial projections contained in the Base Case Financial Model.

2. The Borrower is also party to pending litigation against the City of Mercer Island, Washington, in which the City sought to withhold permits required to construct East Link infrastructure improvements on the Interstate 90 Bridge and on Mercer Island. In November 2017, the court issued an ordering maintaining a preliminary injunction against the City requiring it to issue the required permits to Sound Transit and staying further proceedings in the case. The court's order retained jurisdiction over the case until all permits required to complete East Link construction are issued to Sound Transit. Because Sound Transit and the City have entered into a settlement agreement resolving all remaining issues in the case on terms originally offered to the City before the litigation, the court will formally dismiss the case when Sound Transit notifies the court that last construction permit has been issued. All construction is proceeding on schedule.

3. On February 5, 2018, an individual, acting pro se, filed a petition for writs of mandamus and prohibition and for declaratory judgment against the Borrower, in which he seeks to have the Sound Transit 3 ballot declared *void ab initio,* or, alternatively, to void the results of that ballot and order reballoting. Plaintiff's claims are based on allegations that Sound Transit Board Members, officers, and staff engaged in corrupt and fraudulent activity in connection with that ballot measure. Sound Transit denies all allegations. In the thirty months since the Complaint's filing, Plaintiff has not propounded any discovery or made any attempt to move this matter toward resolution. Plaintiff's petition is eligible for *sua sponte* dismissal by the Court under King County Superior Court Local Civil Rule 41(b)(2)(D) for inaction.

Borrower does not believe Plaintiff's petition could reasonably be expected result in a Material Adverse Effect or could reasonably be expected to adversely affect the Borrower's ability to receive Pledged Taxes in amounts sufficient to meet the financial projections contained in the Base Case Financial Model.

SCHEDULE 13(o)

LIST OF INSURANCE POLICIES

Central Puget Sound Regional Transit Authority	
Primary General Liability Program Summary - 2020-2021	
As of 1-November-2020	
Type	**Commercial General Liability Insurance**
Interest	Policy pays sums the insured becomes legally liable to pay as damages because of bodily injury or property damage, arising from an occurrence during the policy period.
Policy Period	November 1, 2020 to November 1, 2021 (Renewed Annually)
Insured	Central Puget Sound Regional Transit Authority d/b/a Sound Transit
Additional Insured	Blanket Basis - Any person or organization to whom or which the insured is required to provide Additional Insured status or on a Primary, Non-Contributory basis, in a written Contract or written Agreement executed prior to loss, including the United States Department of Transportation, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau, named as an Additional Insured as of 18-N o v e m b e r -2016
Sum Insured / Deductible	General Liability Limits: General Aggregate per Location: $1,000,000 General Aggregate Policy Limit: $2,000,000 Personal Injury / Advertising Liability: $1,000,000 Each Occurrence: $1,000,000 Damage to Premises Rented to You: $100,000 Medical Expense: $5,000 Deductible - Per Occurrence: $350,000
Conditions	ISO CG 00 01 04 13 - Commercial General Liability Coverage Form Defense Costs in addition to the Sum Insured Blanket Waiver of Subrogation Fellow Employee Coverage Endorsement Separation of Insured Clause WA Stop Gap Employers Liability Coverage Per Location General Aggregate Limits 90-Days Notice of Cancellation or Material Change No Requirements Warrantying insurance maintained by Subcontractors

Exclusions	Asbestos Exclusion Endorsement Fungus Exclusion Endorsement Nuclear Energy Liability Exclusion Endorsement Professional Liability Exclusion Endorsement Lead Exclusion Endorsement Employment-Related Practices Exclusion

SCHEDULE 13(r)

COMMUNICATIONS AND NOTICES DETERMINED TO BE WITHOUT MERIT

None.

EXHIBIT A

FORM OF TIFIA BOND

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

SALES TAX AND MOTOR VEHICLE EXCISE TAX BOND, SERIES 2021T-1

(FEDERAL WAY LINK EXTENSION PROJECT: TIFIA – 2021-1013A)

Maximum Principal Amount: SIX HUNDRED TWENTY-NINE MILLION, FOUR HUNDRED SEVENTY-TWO THOUSAND, FOUR HUNDRED THIRTY-ONE AND NO/100 DOLLARS

Effective Date: September 10, 2021 **Due: May 1, 2059**

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a Washington regional transit authority created under the laws of the State of Washington (the "Borrower"), for value received, hereby promises to pay to the order of the **UNITED STATES DEPARTMENT OF TRANSPORTATION,** acting by and through the Executive Director of the Build America Bureau, or its assigns (the "TIFIA Lender"), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the "Disbursements") made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement, as defined below, being hereinafter referred to as the "Outstanding Principal Sum"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the TIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection with the TIFIA Loan Agreement, all as more fully described in the below-referenced TIFIA Loan Agreement. The TIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit F** to the TIFIA Loan Agreement from time to time in accordance with the terms of the TIFIA Loan Agreement, which is hereby made a part hereof, to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit F** to the TIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document (as defined in the TIFIA Loan Agreement).

The principal hereof shall be payable in the manner and at the place provided in the TIFIA Loan Agreement in accordance with **Exhibit F** to the TIFIA Loan Agreement, as revised from time to time in accordance with the TIFIA Loan Agreement, until paid in full. Such **Exhibit F** shall be revised or completed by or on behalf of the TIFIA Lender in accordance with

the terms of the TIFIA Loan Agreement. Payments hereon are to be made in accordance with Section 9(e) and Section 36 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement as the same become due. Principal of and interest on this TIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts.

This TIFIA Bond has been executed under and pursuant to that certain TIFIA Loan Agreement, dated as of the date hereof, between the TIFIA Lender and the Borrower (the "TIFIA Loan Agreement") and is issued to evidence the obligation of the Borrower under the TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind required to be paid by the Borrower under the TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the TIFIA Loan Agreement for all details relating to the Borrower's obligations hereunder. All capitalized terms used in this TIFIA Bond and not defined herein shall have the meanings set forth in the TIFIA Loan Agreement.

This TIFIA Bond shall be subject to mandatory prepayment in accordance with the TIFIA Loan Agreement.

This TIFIA Bond may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the TIFIA Loan Agreement; provided, however, such prepayments shall be in minimum principal amounts of at least $1,000,000), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender all or part of the principal amount of the TIFIA Bond in accordance with the TIFIA Loan Agreement.

Payment of the obligations of the Borrower under this TIFIA Bond is secured by and payable from (i) the Pledged Taxes and (ii) the amounts, if any, in the TIFIA Debt Service Account, the TIFIA Reserve Account and the Construction Account, in each case pursuant to the Bond Documents, including the TIFIA Refinancing Resolution.

The obligations of the Borrower under this TIFIA Bond and the TIFIA Loan Agreement and the other TIFIA Loan Documents referred to therein are subordinated in right of security to certain senior indebtedness of the Borrower in the manner and to the extent provided in the Bond Documents referred to in the TIFIA Loan Agreement.

On each payment due date, payments hereon are to be made in the manner and at the place specified by the TIFIA Lender as provided in the TIFIA Loan Agreement.

Any delay on the part of the TIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the state of Washington to happen, exist, and be performed precedent to and in the issuance of this TIFIA Bond have happened, exist and have been performed as so required, and the total indebtedness of the Borrower, including this TIFIA Bond, does not exceed any constitutional or statutory limitations. This TIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the

internal laws of the state of Washington shall govern its construction to the extent such federal laws are not applicable.

[*Signature page follows*]

IN WITNESS WHEREOF, CENTRAL PUGET SOUND REGIONAL TRANSPORTATION AUTHORITY has caused this TIFIA Bond to be executed in its name and its seal to be affixed hereto, all as of the Effective Date set forth above.

CENTRAL PUGET SOUND REGIONAL TRANSPORTATION AUTHORITY

(SEAL)

By: _____

Name: _____

Title: Chair, Board of Directors

By: _____

Name: _____

Title: Chief Executive Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns and transfers unto

(Please Insert Social Security or other identifying number of Assignee(s)):

the within note and all rights thereunder.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

ANTICIPATED TIFIA LOAN DISBURSEMENT SCHEDULE

Borrower's Fiscal Year (12/31)	Amount
2021	-
2022	$516,227,222
2023	$113,245,209
2024	-
2025	-
Total	**$629,472,431**

EXHIBIT C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS

The undersigned on behalf of CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY (the "Borrower"), hereby certifies the Borrower has fully complied with its verification obligations under 2 CFR § 180.320 and hereby further confirms in accordance with 2 CFR § 180.335, that, to its knowledge, the Borrower and its principals (as defined in 2 CFR § 180.995):

(a) Are not presently excluded (as defined in 2 CFR § 180.940) or disqualified (as defined in 2 CFR § 180.935);

(b) Have not within a three (3) year period preceding the Effective Date been convicted of any of the offenses listed in 2 CFR § 180.800(a) or had a civil judgment rendered against them for one of those offenses within that time period;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses listed in 2 CFR § 180.800(a); and

(d) Have not within a three (3) year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

(e) Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the applicable TIFIA Loan Agreement, dated as of September 10, 2021, entered into in respect of the DRLE Project (TIFIA 2021-1006A), the East Link Light Rail Project (TIFIA 2021-1019A), the Federal Way Link Extension Project (TIFIA 2021-11013A), the Lynnwood Link Extension Project (TIFIA 2021-1014A), the Northgate Link Extension Project (TIFIA 2021-1017A) and the O&M Facility East Project (TIFIA 2021-1018A) each between the TIFIA Lender and the Borrower, as the same may be amended from time to time.

Dated: _____

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

By: _____
Borrower's Authorized Representative
Name:
Title:

EXHIBIT D

REQUISITION PROCEDURES

This Exhibit D sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of TIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the TIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the TIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the TIFIA Lender under the TIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the TIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the TIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the Borrower for the disbursement of TIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the TIFIA Lender, in accordance with Section 36 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement, of a Requisition, in form and substance satisfactory to the TIFIA Lender and completed and executed by the Borrower's Authorized Representative. The form of Requisition is attached as **Appendix One** to this Exhibit D. Supporting documentation should be submitted with the requisition.

All disbursement requests must be received by the TIFIA Lender at or before 5:00 P.M. (Eastern Time) on the first (1st) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the TIFIA Lender if it is:

(a) submitted without signature;

(b) submitted under signature of a Person other than a Borrower's Authorized Representative;

(c) submitted after prior disbursement of all proceeds of the TIFIA Loan; or

(d) submitted without adequate documentation of Eligible Project Costs incurred or paid. Such documentation shall include invoices for costs incurred or paid.

The TIFIA Lender shall promptly send to the Borrower, in accordance with Section 36 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement, a notice of any Requisition so rejected, and the reasons therefor, substantially in the form attached hereto as **Appendix Two** to

this **Exhibit D**. Any Requisition rejected for the reasons specified in (a), (b) or (d) above must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the TIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the TIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the TIFIA Lender, after telephonic or email notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The TIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds if:

(a) an Event of Default or event that, with the giving of notice or the passage of time or both, would constitute an Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing;

(b) the Borrower

(i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or

(ii) fails to show a Revenue Coverage Ratio of not less than 1.00 to 1.00 for the most recent Calculation Period for which such ratio was calculated in accordance with Section 21(f) (*Financial Plans, Statements and Reports*) of the TIFIA Loan Agreement; or

(iii) fails to construct the Project in a manner consistent with the Governmental Approvals with respect to the Project and the plans, specifications, engineering reports or facilities plans previously submitted to and approved by the TIFIA Lender, or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project, or with the terms and conditions of the TIFIA Loan Agreement and the other TIFIA Loan Documents; or

(iv) fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement and the other TIFIA Loan Documents; or

(v) fails to satisfy any condition set forth in Section 4 (*Disbursement Conditions*) or Section 12(b) (*Conditions Precedent to All Disbursements*) of the TIFIA Loan Agreement; or

(vi) fails to deliver documentation satisfactory to the TIFIA Lender evidencing Eligible Project Costs claimed for disbursement at the times and in the

manner specified by the TIFIA Loan Agreement; provided, that in such case the TIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

Section 5. Government Shutdown. Notwithstanding anything to the contrary set forth in this **Exhibit C**, the TIFIA Lender (a) shall be entitled to withhold approval of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds and (b) shall have no obligation to make any disbursement of proceeds of the TIFIA Loan to the Borrower (even if such disbursement has been approved by the TIFIA Lender), in each case if the TIFIA Lender's ability to make the relevant disbursement is impaired as a result of a partial or total shutdown of the operations of any federal department or agency (including the USDOT or any of its agencies), or any contractor of any such department or agency, due to a lapse in appropriations by Congress.

APPENDIX ONE TO EXHIBIT D

FORM OF REQUISITION

Build America Bureau
United States Department of Transportation
c/o Director, Office of Credit Programs

Room W12-464
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Federal Transit Administration
FTA Region X Office
Jackson Federal Building
915 Second Avenue
Suite 3142
Seattle, WA 98174-1002
Attention: Ms. Linda Gehrke, Regional Administrator

[*Loan Servicer*]
[*Address*]
[*Attention*]

Re: FEDERAL WAY LINK EXTENSION PROJECT (TIFIA – 2021-1013A)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of September 10, 2021 (the "TIFIA Loan Agreement"), by and between CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY (the "Borrower") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Executive Director of the Build America Bureau (the "TIFIA Lender"), we hereby request disbursement in the amount of $[_____] in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection with this Requisition the undersigned does hereby represent and certify the following:

1. This Requisition is Requisition number [_____].

2. The requested date of disbursement is [_____ 15, 20__][the "Disbursement Date"), which is the first Business Day following _____ 15, 20__].

3. The amounts previously disbursed under the TIFIA Loan Agreement equal, in the aggregate, $[_____].

4. The amounts hereby requisitioned have been paid or incurred by or on behalf of the Borrower for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from TIFIA Loan proceeds.

5. The amount of this Requisition, together with all prior Requisitions, does not exceed the amount of the TIFIA Loan.

6. All documentation evidencing the Eligible Project Costs to be paid for or reimbursed by the above-requested disbursement has been delivered by the Borrower at the times and in the manner specified by the TIFIA Loan Agreement.

7. The Borrower has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project, and each such permit and Governmental Approval is in full force and effect (and is not subject to any notice of violation, breach or revocation).

8. Each of the insurance policies obtained by the Borrower in satisfaction of the condition in Section 12(a)(xviii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

10. The Project has been, and is being, constructed in a manner consistent with all plans, specifications, engineering reports and facilities plans previously submitted to and approved by the TIFIA Lender and in accordance with the highest standards of the Borrower's industry.

11. The Borrower is in compliance with all of the terms and conditions of the TIFIA Loan Agreement; the Revenue Coverage Ratio was not less than 1.00 to 1.00 for the most recent Calculation Period for which such ratio was calculated in accordance with Section 21(f) (*Financial Plans, Statements and Reports*) of the TIFIA Loan Agreement; and there does not currently exist an Event of Default under the TIFIA Loan Agreement or any event or condition which with the giving of notice, the passage of time, or both, would constitute an event of default (howsoever described or designated) of the Borrower under any other Related Document, in each case, shall have occurred and be continuing.

12. The representations and warranties of the Borrower set forth in the TIFIA Loan Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

13. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), (i) no Event of Default or event of default under any other Related Document and (ii) no event that, with the giving of notice or the passage of time or both, would constitute an Event of Default or event of default (howsoever described or designated) under any Related Document, in each case, has occurred and is continuing.

14. No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, has occurred since the date on which the Borrower submitted the Application to the TIFIA Lender.

15. A copy of the month construction progress report pursuant to Section 22(b) (*Monthly Progress Report*) of the TIFIA Loan Agreement for the month preceding the date of the applicable Requisition has been delivered to each of the above named addresses.

16. The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government in connection with the Project, the Federal Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l)(1), to the extent the Federal Government deems appropriate.

17. A copy of this Requisition has been delivered to each of the above named addressees.

18. The undersigned is duly authorized to execute and deliver this Requisition on behalf of the Borrower.

Date: _____

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

Name: _____
Borrower's Authorized Representative
Name:
Title:

APPENDIX TWO TO EXHIBIT D

DISAPPROVAL OF THE TIFIA LENDER

(To be delivered to the Borrower)

Requisition Number_____ is [approved in part in the amount of $[•]] [not approved][1] by the TIFIA Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of September 10, 2021, by and between Central Puget Sound Regional Transit Authority (the "Borrower") and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "TIFIA Lender").

Any determination, action or failure to act by the TIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the TIFIA Lender's sole discretion, and in no event shall the TIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Executive Director of the Build America Bureau

By: _____
TIFIA Lender's Authorized Representative

Name: _____
Title: _____
Dated: _____

[1] Attached hereto as Exhibit A are reasons for any partial or full denial of approval.

EXHIBIT A TO APPENDIX TWO TO EXHIBIT D

[Insert reasons for any partial or full denial of approval.]

EXHIBIT E

UNITED STATES DEPARTMENT OF TRANSPORTATION

COMPLIANCE WITH LAWS

The Borrower shall, and shall require its contractors and subcontractors at all tiers for the Project to, comply in all material respects with any and all applicable federal and state laws. The following list of federal laws is illustrative of the type of requirements generally applicable to transportation projects. It is not intended to be exhaustive.

(i) The Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. § 12101 et seq.; 28 CFR Part 35; 29 CFR Part 1630);

(ii) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d et seq.), and USDOT implementing regulations (49 CFR Part 21);

(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 et seq.), with the understanding that the requirements of said Act are not applicable with respect to utility relocations except with respect to acquisitions by the Borrower of easements or other real property rights for the relocated facilities;

(iv) Equal employment opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 FR 12319), any Executive Order amending such order, and implementing regulations (29 CFR §§ 1625-27, 1630; 28 CFR Part 35; 41 CFR Part 60; and 49 CFR Part 27);

(v) Restrictions governing the use of federal appropriated funds for lobbying (31 U.S.C. § 1352; 49 CFR Part 20);

(vi) The Clean Air Act, as amended (42 U.S.C. § 7401 et seq.);

(vii) The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.), including the environmental mitigation requirements and commitments made by the Borrower that result in FTA's approval of the NEPA Determination;

(viii) The Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 et seq.);

(ix) The Endangered Species Act, 16 U.S.C. § 1531, et seq.;

(x) 23 U.S.C. § 138 and 49 U.S.C. § 303, as applicable;

(xi) The health and safety requirements set forth in 40 U.S.C. §§ 3701-3702 and implementing regulations (29 CFR Part 1926 and 23 CFR § 635.108, as applicable);

(xii) The prevailing wage requirements set forth in 40 U.S.C. § 3141 et seq., and implementing regulations (29 CFR Part **Error! Reference source not found.**), and, as applicable, 23 U.S.C. § 113 and implementing regulations (23 CFR §§ 635.117(f) and 635.118), and FHWA Form 1273 §§ IV and V for those contracts that involve construction of highway improvements;

(xiii) The Buy America requirements set forth in 49 U.S.C. § 5323(j) and implementing regulations (49 CFR Part 661);

(xiv) The requirements of 49 U.S.C. Chapter 53 and 49 CFR Part 600;

(xv) The Cargo Preference Act of 1954, as amended (46 U.S.C. §55305), and implementing regulations (46 CFR Part 381);

(xvi) The applicable requirements of 49 CFR Part 26 relating to the Disadvantaged Business Enterprise program; and

(xvii) The requirements of Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115–232) and implementing regulations (2 CFR § 200.216).

EXHIBIT F

TIFIA DEBT SERVICE

[*Attached.*]

TIFIA Loan Amortization Schedule - Federal Way

Substantial Completion	11/1/2024
Interest Rate	1.91%

Date	Disbursements	Interest (Capitalized & Accrued) on Quarterly Disbursements	Interest (Capitalized & Accrued) on Ending Balances	Interest Paid	Principal Repayment	Ending Balance
5/1/2022	-	-	-	-	-	-
11/1/2022	516,227,221.85	2,944,475.21	-	-	-	519,171,697.06
5/1/2023	-	-	4,917,338.28	-	-	524,089,035.34
11/1/2023	113,245,209.15	634,080.09	5,046,187.69	-	-	643,014,512.27
5/1/2024	-	-	6,107,232.37	-	-	649,121,744.64
11/1/2024	-	-	-	6,232,987.59	-	649,121,744.64
5/1/2025	-	-	-	6,148,161.05	-	649,121,744.64
11/1/2025	-	-	-	6,250,064.27	-	649,121,744.64
5/1/2026	-	-	-	6,148,161.05	-	649,121,744.64
11/1/2026	-	-	-	6,250,064.27	-	649,121,744.64
5/1/2027	-	-	-	6,148,161.05	-	649,121,744.64
11/1/2027	-	-	-	6,250,064.27	-	649,121,744.64
5/1/2028	-	-	-	6,165,237.73	-	649,121,744.64
11/1/2028	-	-	-	6,232,987.59	-	649,121,744.64
5/1/2029	-	-	-	6,148,161.05	-	649,121,744.64
11/1/2029	-	-	-	6,250,064.27	2,500,000.00	646,621,744.64
5/1/2030	-	-	-	6,124,482.28	2,500,000.00	644,121,744.64
11/1/2030	-	-	-	6,201,921.81	2,500,000.00	641,621,744.64
5/1/2031	-	-	-	6,077,124.75	2,500,000.00	639,121,744.64
11/1/2031	-	-	-	6,153,779.34	2,500,000.00	636,621,744.64
5/1/2032	-	-	-	6,046,515.05	2,500,000.00	634,121,744.64
11/1/2032	-	-	-	6,088,954.81	2,500,000.00	631,621,744.64
5/1/2033	-	-	-	5,982,409.68	2,500,000.00	629,121,744.64
11/1/2033	-	-	-	6,057,494.41	2,500,000.00	626,621,744.64
5/1/2034	-	-	-	5,935,052.15	2,500,000.00	624,121,744.64
11/1/2034	-	-	-	6,009,351.94	2,500,000.00	621,621,744.64
5/1/2035	-	-	-	5,887,694.61	2,500,000.00	619,121,744.64
11/1/2035	-	-	-	5,961,209.48	2,500,000.00	616,621,744.64
5/1/2036	-	-	-	5,856,558.77	2,500,000.00	614,121,744.64
11/1/2036	-	-	-	5,896,911.09	2,500,000.00	611,621,744.64
5/1/2037	-	-	-	5,792,979.54	2,500,000.00	609,121,744.64
11/1/2037	-	-	-	5,864,924.55	2,500,000.00	606,621,744.64
5/1/2038	-	-	-	5,745,622.01	2,500,000.00	604,121,744.64
11/1/2038	-	-	-	5,816,782.08	2,500,000.00	601,621,744.64
5/1/2039	-	-	-	5,698,264.48	2,500,000.00	599,121,744.64
11/1/2039	-	-	-	5,768,639.61	2,500,000.00	596,621,744.64
5/1/2040	-	-	-	5,666,602.48	12,348,358.94	584,273,385.70
11/1/2040	-	-	-	5,610,301.60	12,404,659.82	571,868,725.88
5/1/2041	-	-	-	5,416,458.55	12,598,502.87	559,270,223.01
11/1/2041	-	-	-	5,384,929.51	12,630,031.91	546,640,191.10
5/1/2042	-	-	-	5,177,506.31	12,837,455.11	533,802,735.99
11/1/2042	-	-	-	5,139,715.99	12,875,245.43	520,927,490.56
5/1/2043	-	-	-	4,933,968.29	13,080,993.13	507,846,497.43
11/1/2043	-	-	-	4,889,796.52	13,125,164.90	494,721,332.53
5/1/2044	-	-	-	4,698,771.30	13,316,190.12	481,405,142.41
11/1/2044	-	-	-	4,622,541.62	13,392,419.80	468,012,722.61
5/1/2045	-	-	-	4,432,785.71	13,582,175.71	454,430,546.90
11/1/2045	-	-	-	4,375,481.41	13,639,480.01	440,791,066.89
5/1/2046	-	-	-	4,174,955.61	13,840,005.81	426,951,061.08
11/1/2046	-	-	-	4,110,895.37	13,904,066.05	413,046,995.03
5/1/2047	-	-	-	3,912,177.44	14,102,783.98	398,944,211.05
11/1/2047	-	-	-	3,841,231.60	14,173,729.82	384,770,481.23
5/1/2048	-	-	-	3,654,478.54	14,360,482.88	370,409,998.35
11/1/2048	-	-	-	3,556,745.62	14,458,215.80	355,951,782.55
5/1/2049	-	-	-	3,371,399.75	14,643,561.67	341,308,220.88
11/1/2049	-	-	-	3,286,283.87	14,728,677.55	326,579,543.33
5/1/2050	-	-	-	3,093,200.38	14,921,761.04	311,657,782.29
11/1/2050	-	-	-	3,000,794.82	15,014,166.60	296,643,615.69
5/1/2051	-	-	-	2,809,662.04	15,205,299.38	281,438,316.31
11/1/2051	-	-	-	2,709,826.90	15,305,134.52	266,133,181.79
5/1/2052	-	-	-	2,527,683.52	15,487,277.90	250,645,903.89
11/1/2052	-	-	-	2,406,748.54	15,608,212.88	235,037,691.01
5/1/2053	-	-	-	2,226,161.10	15,788,800.32	219,248,890.69
11/1/2053	-	-	-	2,111,036.44	15,903,924.98	203,344,965.71
5/1/2054	-	-	-	1,925,983.24	16,088,978.18	187,255,987.53
11/1/2054	-	-	-	1,802,992.99	16,211,968.43	171,044,019.10

TIFIA Loan Amortization Schedule - Federal Way

Substantial Completion 11/1/2024
Interest Rate 1.91%

Date	Disbursements	Interest (Capitalized & Accrued) on Quarterly Disbursements	Interest (Capitalized & Accrued) on Ending Balances	Interest Paid	Principal Repayment	Ending Balance
5/1/2055	-	-	-	1,620,044.60	16,394,916.82	154,649,102.28
11/1/2055	-	-	-	1,489,037.82	16,525,923.60	138,123,178.68
5/1/2056	-	-	-	1,311,868.29	16,703,093.13	121,420,085.55
11/1/2056	-	-	-	1,165,898.22	16,849,063.20	104,571,022.35
5/1/2057	-	-	-	990,445.15	17,024,516.27	87,546,506.08
11/1/2057	-	-	-	842,940.93	17,172,020.49	70,374,485.59
5/1/2058	-	-	-	666,552.42	17,348,409.00	53,026,076.59
11/1/2058	-	-	-	510,561.22	17,504,400.20	35,521,676.39
5/1/2059	-	-	-	336,443.80	17,678,517.62	17,843,158.77
11/1/2059	-	-	-	171,802.73	17,843,158.77	-
5/1/2060	-	-	-	-	-	-
11/1/2060	-	-	-	-	-	-
Total	**629,472,431.00**	**3,578,555.30**	**16,070,758.34**	**311,167,498.87**	**649,121,744.64**	

EXHIBIT G

OPINIONS REQUIRED FROM COUNSEL TO BORROWER

An opinion of the counsel of the Borrower, dated the Effective Date, to the effect that: (a) the Borrower is duly formed, validly existing and in good standing under the laws of the State of Washington; (b) the Borrower has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the TIFIA Loan Agreement, the other TIFIA Loan Documents and other Related Documents in effect as of the Effective Date; (c) the execution and delivery by the Borrower of, and the performance of the Borrower's obligations under the TIFIA Loan Agreement, the other TIFIA Loan Documents and other Related Documents in effect as of the Effective Date have been duly authorized by all necessary organizational or regulatory action; (d) the Borrower has duly executed and delivered the TIFIA Loan Agreement, the TIFIA Loan Documents and other Related Documents in effect as of the Effective Date, each of which constitutes the legal, valid and binding obligation of the Borrower; enforceable against the Borrower in accordance with their respective terms; (e) no authorization, consent or other approval of, or registration, declaration or other filing with any governmental authority of the United States or of the State of Washington is required on the part of the Borrower for the execution and delivery of the TIFIA Loan Agreement, the TIFIA Loan Documents or other Related Documents in effect as of the Effective Date, and the performance of the Borrower thereunder; (f) the execution and delivery by the Borrower of, and compliance with the provisions of the TIFIA Loan Agreement, the TIFIA Loan Documents and other Related Documents in effect as of the Effective Date, do not (i) violate the Organizational Documents of the Borrower, (ii) violate the laws of the United States of America or the State of Washington or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the Borrower is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower presently is subject; (g) the TIFIA Bond is payable from and secured solely by (i) the TIFIA Lien, (ii) the amounts, if any, in the TIFIA Debt Service Account, the TIFIA Reserve Account and the Construction Account related to such TIFIA Loan, and (iii) the Pledged Taxes in the Local Option Tax Accounts, the Additional Taxes Accounts and the Tax Stabilization Subaccount, subject to the prior pledges that have been and may hereafter be created in favor of the Senior Obligations; (h) the Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended; and (i) to our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other governmental authority in connection with the TIFIA Loan Agreement, the TIFIA Loan Documents or any other Related Documents in effect as of the Effective Date that are pending.

EXHIBIT H

FORM OF BORROWER'S OFFICER'S CERTIFICATE

Reference is made to that certain TIFIA Loan Agreement, dated as of September 10, 2021 (as amended, supplemented or otherwise modified from time to time, the "**TIFIA Loan Agreement**"), by and among Central Puget Sound Regional Transit Authority (the "**Borrower**") and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "**TIFIA Lender**") in respect of the Federal Way Link Extension Project (TIFIA – 2021-1013A). Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement.

The undersigned hereby certifies that s/he is authorized to execute this certificate and further certifies as of the date hereof, on behalf of the Borrower and not in his/her personal capacities, the following:

(a) pursuant to Section 12(a)(i) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, (i) attached hereto as Exhibit A is a true, accurate and complete copy of the TIFIA Refinancing Resolution, which has not been modified, rescinded or amended, is in full force and effect in the form adopted; and (ii) attached hereto as Exhibit B is a certified true, accurate and complete copy of the each other Bond Document that has been entered into on or prior to the Effective Date that has not been previously delivered to the TIFIA Lender;

(b) pursuant to Section 12(a)(iv) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, the Project has been included in (i) the metropolitan transportation improvement program adopted by the Puget Sound Regional Council, (ii) the State transportation plan, and (iii) the State transportation improvement program approved by the USDOT or its designated agencies, in each case to the extent required by 23 U.S.C. §§ 134 and 135, and 23 U.S.C. § 602(a)(3), as applicable. The financial plan for each such program or plan reflects the costs of, and the sources of funding for the Project;

(c) pursuant to Section 12(a)(vi) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement attached hereto as Exhibit C is a certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the TIFIA Loan Agreement and the Related Documents to which the Borrower is or will be a party, and who have been appointed a Borrower's Authorized Representative in accordance with Section 25 (*Borrower's Authorized Representative*) of the TIFIA Loan Agreement;

(d) pursuant to 12(a)(viii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, (i) attached hereto as Exhibit D are certified, complete and fully executed copies of each Principal Project Contract, together with any amendments, waivers or modifications thereto and (ii) each agreement provided pursuant to clause (i) is in full force and effect as of the Effective Date;

(e) the Borrower has obtained all Government Approvals necessary to commence construction of the Project pursuant to Section 12(a)(ix) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement and each such Governmental Approval is final and non-appealable and in full force and effect (and is not subject to any notice of violation, breach, or revocation);

(f) pursuant to Section 12(a)(x) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit E is the Initial Base Case Financial Model demonstrating that (i) the projected Pledged Taxes shall be sufficient to meet the projected loan amortization schedule for the TIFIA Loan as set forth in such Initial Base Case Financial Model and (ii) for each calendar year during the life of the TIFIA Loan, projected (A) Debt Service Coverage Ratios of at least 1.50 to 1.00 and (B) Revenue Coverage Ratios of at least 1.00 to 1.00;

(g) pursuant to Section 12(a)(xii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit F is a true, accurate and complete copy of the NEPA Determination, and any supplements thereto, and the NEPA Determination is in full force and effect and has not been withdrawn or materially amended;

(h) pursuant to Section 12(a)(xiv) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, the Borrower has complied with all applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.) and 49 U.S.C. Chapter 53;

(i) pursuant to Section 12(a)(xv) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, the Borrower confirms that it is in compliance with § 603(b)(6)(B) of the Act, including that, as of the Effective Date, (i) the Borrower is a public agency that is financing ongoing capital programs and has outstanding Senior Obligations under the Bond Documents; (ii) the TIFIA Bond is rated in the "A" category or higher by a Nationally Recognized Statistical Rating Organization; and (iii) the TIFIA Bond is secured and payable from Pledged Taxes, which are revenues not affected by Project performance;

(j) (i) the Borrower has registered and obtained confirmation of active registration status with the Federal System for Awards Management and the Borrower's Data Universal Number System number as required under Section 12(a)(xvii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement is 958427239, in each case as evidenced by the confirmation attached hereto as Exhibit G; and (ii) the Borrower's federal Employer Identification Number is 91-1628275;

(k) pursuant to Section 12(a)(xviii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit H are true, correct and complete copies of certificates of insurance evidencing all insurance policies that the Borrower and each applicable Principal Project Party for the Project has

obtained as required under the Bond Documents currently in effect (including insurance required under Section 15(f) (*Insurance*) of the TIFIA Loan Agreement as it relates to the Project) and, in the case of each general liability and excess liability insurance policy, reflecting the TIFIA Lender as an additional insured, and (ii) each of such insurance policies required under Section 15(f) (*Insurance*) of the TIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider;

(l) pursuant to Section 12(a)(xix) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit I are certified copies of the Borrower's Organizational Documents as in effect on the Effective Date (as certified by the Secretary of State of its jurisdiction of formation, to the extent applicable), which Organizational Documents are in full force and effect and have not been amended since the date of the last amendment thereto as shown in such certificate and any statutory and constitutional provisions included as part of such Organizational Documents remain in full force and effect;

(m) pursuant to 12(a)(xxi) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit J are certified, complete and fully executed copies of each performance security instrument delivered to or by the Borrower pursuant to any applicable Principal Construction Contract in effect as of the Effective Date, each of which performance security instruments is (i) in compliance with the requirements for such performance security pursuant to the applicable Principal Construction Contract and (ii) in full force and effect;

(n) pursuant to 12(a)(xxii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, (i) no Default or Event of Default hereunder, and no event of default (howsoever described or designated) under any other Related Document shall have occurred and be continuing and (ii) no event or condition that, with the giving of notice, the passage of time, or both, would constitute an event of default (howsoever described or designated) of the Borrower under any other Related Document, in each case, shall have occurred and be continuing;

(o) pursuant to 12(a)(xxiii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, the representations and warranties of the Borrower set forth in the TIFIA Loan Agreement (including Section 13 (*Representations and Warranties*)) and in each other Related Document that has been entered into on or prior to the Effective Date are true and correct on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties are true and correct as of such earlier date);

(p) pursuant to 12(a)(xxiv) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, no Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, has occurred since the date the Borrower submitted the Application to the TIFIA Lender; and

(q) pursuant to Section 12(a)(xxvii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, as of the Effective Date, (i) the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the TIFIA Loan Agreement), together with the amount of any other credit assistance provided under the Act to the Borrower in connection with the Project, does not exceed thirty-three percent (33%) of reasonably anticipated Eligible Project Costs and (ii) as required pursuant to § 603(b)(9) of the Act, the total federal assistance provided to the Project, including the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms of the TIFIA Loan Agreement), does not exceed eighty percent (80%) of Eligible Project Costs.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

By: _____
Name:
Title: [Borrower's Authorized Representative]

EXHIBIT A TO THE BORROWER'S OFFICER'S CERTIFICATE

TIFIA REFINANCING RESOLUTION

EXHIBIT B TO THE BORROWER'S OFFICER'S CERTIFICATE

OTHER BOND DOCUMENTS

EXHIBIT C TO THE BORROWER'S OFFICER'S CERTIFICATE

INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [Secretary] of **CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY**, d/b/a Sound Transit, a Washington regional transit authority created under the laws of the State of Washington (the "Borrower"), and as such he/she is authorized to execute this Certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Borrower in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that each of the officers included below is a Borrower's Authorized Representative as defined in each TIFIA Loan Agreement, dated as of September 10, 2021, entered into with in respect of each of the DRLE Project (TIFIA 2021-1006A), the East Link Light Rail Project (TIFIA 2021-1019A), the Federal Way Link Extension Project (TIFIA 2021-1013A), the Lynnwood Link Extension Project (TIFIA 2021-1014A), the Northgate Link Extension Project (TIFIA 2021-1017A) and the O&M Facility East Project (TIFIA 2021-1018A) (each, a "TIFIA Loan Agreement"), and that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the TIFIA Loan Documents and/or the Related Documents (each as defined in the applicable TIFIA Loan Agreement):

Name	Title	Signature
[_____]	Chief Executive Officer	_____
[_____]	Chief Financial Officer	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [__] day of [_____], 2021.

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

By: _____
Name:
Title:

TO BE SIGNED BY AN AUTHORIZED OFFICER OF SOUND TRANSIT THAT IS NOT THE CEO OR CFO

EXHIBIT D TO THE BORROWER'S OFFICER'S CERTIFICATE

PRINCIPAL PROJECT CONTRACTS

EXHIBIT E TO THE BORROWER'S OFFICER'S CERTIFICATE

INITIAL BASE CASE FINANCIAL MODEL

EXHIBIT F TO THE BORROWER'S OFFICER'S CERTIFICATE

NEPA DETERMINATION

EXHIBIT G TO THE BORROWER'S OFFICER'S CERTIFICATE

CONFIRMATION OF REGISTRATION WITH FEDERAL SYSTEM OF AWARDS MANAGEMENT

EXHIBIT H TO THE BORROWER'S OFFICER'S CERTIFICATE

CERTIFICATES OF INSURANCE

EXHIBIT I TO THE BORROWER'S OFFICER'S CERTIFICATE

BORROWER ORGANIZATIONAL DOCUMENTS

EXHIBIT J TO THE BORROWER'S OFFICER'S CERTIFICATE

PRINCIPAL PROJECT CONTRACT PERFORMANCE SECURITY

EXHIBIT I

FORM OF SUBSTANTIAL COMPLETION CERTIFICATE

[Letterhead of Borrower]

[*Date*]

Build America Bureau
United States Department of Transportation
Room W12-464
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Attention: Director, Office of Credit Programs

Project: FEDERAL WAY LINK EXTENSION PROJECT (TIFIA – 2021-1013A)

Dear Director:

This Notice is provided pursuant to Section 15(p) (*Substantial Completion*) of that certain TIFIA Loan Agreement (as amended, supplemented or otherwise modified from time to time, the "**TIFIA Loan Agreement**"), dated as of September 10, 2021, by and between the Central Puget Sound Regional Transit Authority (the "**Borrower**") and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "**TIFIA Lender**").

Unless otherwise defined herein, all capitalized terms in this Notice have the meanings assigned to those terms in the TIFIA Loan Agreement.

I, the undersigned, in my capacity as the Borrower's Authorized Representative and not in my individual capacity, do hereby certify to the TIFIA Lender that:

(a) on [*insert date Substantial Completion requirements were satisfied*], the Project satisfied each of the requirements for Substantial Completion set forth in the [*Insert reference to the design-build or similar agreement for the Project*];

(b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and

(c) Substantial Completion, as defined in the TIFIA Loan Agreement, has been achieved.

_____
[Borrower's Authorized Representative]

Name: _____

Title: _____

EXHIBIT J

CERTIFICATION REGARDING THE PROHIBITION ON THE USE OF APPROPRIATED FUNDS FOR LOBBYING

Reference is made to each TIFIA Loan Agreement, dated as of September 10, 2021, entered into in respect of each of the DRLE Project (TIFIA 2021-1006A), the East Link Light Rail Project (TIFIA 2021-1019A), the Federal Way Link Extension Project (TIFIA 2021-1013A), the Lynnwood Link Extension Project (TIFIA 2021-1014A), the Northgate Link Extension Project (TIFIA 2021-1017A) and the O&M Facility East Project (TIFIA 2021-1018A) (each, a "**TIFIA Loan Agreement**"), by and among Central Puget Sound Regional Transit Authority, (the "**Borrower**") and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "**TIFIA Lender**"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the applicable TIFIA Loan Agreement. The undersigned, on behalf of Central Puget Sound Regional Transit Authority, hereby certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of the TIFIA Loan.

(b) If any funds other than proceeds of the TIFIA Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the TIFIA Loan, the Borrower shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The Borrower shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when the TIFIA Lender entered into the applicable TIFIA Loan Agreement. Submission of this certification is a prerequisite to the effectiveness of the applicable TIFIA Loan Agreement imposed by Section 1352 of title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Dated: _____

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

By: _____
Name:
Title: [Borrower's Authorized Representative]

EXHIBIT K

REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION

2 CFR Part 170

. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION

a. *Reporting of first-tier subawards.*

1. *Applicability.* Unless you are exempt as provided in paragraph (d) below, you must report each action that equals or exceeds $30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph (e) below).

2. *Where and when to report.*

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph (a)(1) above to *http://www.fsrs.gov.*

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at *http://www.fsrs.gov specify.*

b. *Reporting total compensation of recipient executives for non-Federal entities.*

1. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. The total Federal funding authorized to date under this TIFIA Loan equals or exceeds $30,000 as defined in 2 CFR § 170.320;

ii. In the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards), and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and,

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at *http://www.sec.gov/answers/execomp.htm.*)

2. *Where and when to report.* You must report executive total compensation described in paragraph (b)(1) above:

i. As part of your registration profile at *https://www.sam.gov.*

ii. By the end of the month following the month of the Effective Date, and annually thereafter.

c. *Reporting of Total Compensation of Subrecipient Executives.*

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph (d) below, for each first-tier non-Federal entity subrecipient under this TIFIA Loan, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. In the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards) and,

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at *http://www.sec.gov/answers/execomp.htm.*)

2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph (c)(1) above:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.,* between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. *Exemptions.* If, in the previous tax year, you had gross income, from all sources, under $300,000, you are exempt from the requirements to report:

1. Subawards, and

2. The total compensation of the five most highly compensated executives of any subrecipient.

e. *Definitions.* For purposes of this **Exhibit K**:

1. *Federal Agency* means a Federal agency as defined at 5 U.S.C. § 551(1) and further clarified by 5 U.S.C. § 552(f).

2. *Non-Federal entity* means all of the following, as defined in 2 CFR Part 25:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization; and,

iv. A domestic or foreign for-profit organization

3. *Executive* means officers, managing partners, or any other employees in management positions.

4. *Subaward:*

i. This term means a legal instrument to provide support for the performance of any portion of the Project and that you as the Borrower award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the Project (for further explanation, see 2 CFR § 200.331).

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

5. *Subrecipient* means a non-Federal entity or Federal agency that:

i. Receives a subaward from you (the recipient) under this TIFIA Loan; and

ii. Is accountable to you for the use of the Federal funds provided by the subaward.

6. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR § 229.402(c)(2)).